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NEWS SUMMARY

British Rail sell-off delayed

The Government has dropped its plan to sell British Rail's non-rail assets in their entirety to the private sector.

It is still seeking to attract private finance into its non-rail holdings, but a decision has been deferred until the necessary legislation has been

When Transport Minister Norman Fowler confirmed that it was the intention to offer private stakes in such activities as Channel services, hotels, and property, Opposition members attacked this as "as stripping." Page 11, Back " asset British Airways has acknowledged that it too, will have to sell assets; and cut up to 3,000 jobs this year, if it is to pay £2.4on for 40 new jets by 1986.

New oil threat

Iraqi Foreign Minister Saadoun Hammadi was reported in Beirut as advocating nationalisation of all foreign oil companies in the Argb world, and a total boycott of the U.S. to help the struggle against Israel Back Page But Kuwait Foreign Minister Shelkh Sabah al-Ahmad said his country would not use its oil as political weapon.

Bastille Day ban

The French Ambassador in Moscow was banned from broadcasting a Bastille Day message to the Soviet people because of a reference in Afghanistan. A West German TV report. from the Olympic Centre was banned for "political contents."

man Hua Guofeng, who is 59, may lose the premiership he has Back Page. held since 1976. Vice-premier Zhao Ziyang-could succeed him. Page 4

Carrington trip Foreign Secretary Lord Carrington is pay official visitis to Brazil, Barbados, Venezuela and Mexico between July 29 and

Walker's attack Agriculture Minister Peter Walker, speaking in Madrid, attacked French moves to delay enlargement of the EEC and called for the admission of Spain without "dithers or Spain without delays." Page 3

Deadly romp

August 10

A £150,000 case opened at Chester, where a farmer is suing a 95-year-old retired school-mistress, claiming that her herd of cattle strayed, causing his prize bull to go on the rampage. He was "transformed from a magnificent speciman to a total wreck," and had had to be destroyed

England battle

Boycott's 81 not out means England (150 and 201-3) can save the Third Test at Old Trafford against the West Indies (280). Today is the last day.

Briefly . . . Japanese police were looking Lex. Back Page
for 45 poisonous snakes on the loose after a smuggler had used them to protect a horde of pistols.

Air Portugal pilots called off their three-week-old strike. PUBLISHER'S NOTICE

The Financial Times is to increase its cover price from 20p to 25p from next Monday.

Gold off \$25; **Equities** ease

STERLING closed 20 points off at \$2.3760, helped by late buying out of New York. Its trade-weighted index was un-changed at 74.5. Page 21

• DOLLAR was slightly firmer erall, finishing at DM 1.7435 (DM 1.7375). Its index rose to 82.9 (82.8). Page 21

● GOLD fell \$25 an ounce it London to \$644.5 on specula



tion of further U.S. gold sales. Page 21

• GILTS revived after hours, reducing falls at each end of the market. The Government Securities index closed 0.12 off market. at 70.61. Page 28

• EQUITIES were dimmed by ICFs 16p fall and the FT 30share index closed 3.3 down at 489.7. Page 28

■ WALL STREET was up 9.98 at 901.11 near the close. Page 26

• ELECTRICITY Council pension funds lannched a campaign to prevent control of News International passing to News Corporation Rupert Murdoch's Australian master company. Back Page

Changes in China? • AUSTRALIA is threatening Peking speculation suggests that reprisals over imports from the Chinese Communist Party chair. EEC if the Community introduces export subsidies for lamb.

> 6 BARCLAYS BANK International is to raise \$200m through a 15-year floating rate note in the Euroboud market the largest such issue floated by a UK bank Page 22

BRITISH Airways may have to sell assets and cut up to 3,000 jobs this year if it is to have any chance of financing its £2.4bn plan to buy 40 more jets by 1986. Page 9

• BRITAIN'S borrowings from the European Investment Bank and other EEC lending institutions are likely to drop this year from last year's record levels Page 9

• ROBERT BOSCH, West German electricals group, is expected to appeal soon against the U.S. Federal Trade Commission's order to end its threeyear director-sharing agreement with Borg-Warner. Page 23

• TRADE Secretary John Nott urged more direct British investment in Nigeria and a more aggressive approach by businessmen. Page 7

 ELECTRICIANS involved in the inter-union dispute at the Isle of Grain power station decided to reject a TUC solution. Page 10

 RANK Organisation reported a fall of almost £11m to £53.45m in taxable profits for the 28 weeks to May 10. Page 18 and

• MONTAGUE L' MEYER. timber merchant, reported pretax profits for the year to March 31 up from £15.45m to £16.33m. Page 18 and Lex, Back

• LRC International, rubber products and medical group, reported pre-tax profits for the year to March 31 up from £5.88m to £6.21m. Page 20

CHIEF PRICE CHANGES YESTERDAY

	
(Prices in pence unless otherwise	e indicated)
RISES:	Assoc. Newspapers 305 — 8
Anglo Metropolitan 66 + 4	ICI
Bruntons (M'brgh) 98 + 8	Kershaw (A.) 285 - 40
County & District . 154 + 6	Polly Peck 113 — 5 Rank Org 180 — 1
Currys 217 + 6	Rank Org 180 — 13
- AAE 10	Rotherhild (DV 130 302 - L
Electrocomponents . 625 + 13	Sothebys
Elys (Wimbledon). 183 + 11	Tormac 247 — 10
Hill Samuel 135 + 4. House of Fraser 132 + 4	Aran Energy 450 — 20
Int Timber 107 + 4	
Leigh Interests 172 + 10	Civde Petroleum 455 — 0
Motel Closines 39 T D	Ashton-Mining 116 - 8
ninc Comm III T 27	Charter Cons 224 — 11
10 + 15	Conzine Riotinto 256 - 8
a	Haone Gold 186 — 1
Malanhana Kembili 200 T 14	Northern Mining 114 — 10 North West Mining 158 — 8
Tarastand . 100 T V	Otter Exploration 82 — 6
Williams & James 138 + 23	Samantha 34 7
FALLS:	Worldon Mining 250 - 12

Gas for industry to cost at least £500m more a year

BY SUE CAMERON, CHEMICALS CORRESPONDENT

The British Gas Corporation plans to raise contract gas prices for its industrial customers by up to 54 per cent in the coming year.

about 21 per cent. The price rises will add at least £490m to British industry's annual gas

The increases can be expected to intensify the debate about the British Gas monopoly. Detailed plans for ending the corporation's monopoly over supplies for industry have just been sent to the Government by the Chemical Industries Associa-

Manufacturing companies are already sensitive about gas

In April this year, UK com-panies were paying between 67 per cent and 112 per cent more for gas the otheir West German compeitors according to figures from the European Council of Chemical Manufacturers Federations. The latest rises are likely to further widen the gap. British Gas is to ask its indus-

estimated 7p to 14p a therm more for their gas as their from industrial customers. annual contracts come up for renewal. At present, industrial contract customers, which account for more than 40 per

BY LYNTON MCLAIN

go-ahead yesterday for a £1.3bn

conventional arms re-equipment

programme-including a new

nuclear deterrent to replace

investment plan will go on up to 2,000 new all-British

armoured personnel carriers, the MCV-80.

about 10,000 jobs at the manufacturer, GKN-Sankey, at Tel-

ford and Wolverhampton. The

Rolls-Royce Diesel Division-

which will supply the engines-

and Vickers Defence Systems-

which will supply the turrets--

at Elswick, Newcastle-upon-Tyne

The MCV-80 was chosen in

preference to the U.S. infantry

fighting vehicle which had

higher maintenance costs, the

After meetings with its merchant bankers, County

Bank, Fodens last night said the

move was because of "substan-tial losses in recent trading and in view of the current financial

position and immediate pros-pects." In the half year to October 13, 1979, the group showed pre-tax losses of £1.73m

BY REG VAUGHN AND JOHN GRIFFITHS

FODENS, one of Britain's two circulating.

Ministry of Defence said.

will also beriefit.

This programme will involve

About £1bn of the latest

Polaris.

The smallest contract price for their gas. Most companies increaoses are expected to be have annually renegotiable con-

Last night, British Gas said the increases were part of its policy of bringing industrial gas prices into line with gas oil prices—gas oil is used chiefly as heating oil. The present price of gas oil—excluding VAT—is about £173 a tonne, equivalent to 40p a therm.

The corporation said it had always had a policy of relating industrial gas prices to oil prices, although gas prices had usually lagged behind crude prices. But in the aftermath of last year's oil crisis, when demand for gas in the UK trebled, it had become more determined than ever to bring industrial gas prices in line

with those of gas oil.

The corporation stressed that if its industrial prices fell too far behind those of gas oil—the main competing fuel in manufacturing-demand would rise. trial customers to pay an Yet British Gas was already unable to meet the full demand

It was also anxious to concentrate on those markets-the so-called premium uses—for which gas was most suitable as cent of the British Gas Corpora- a fuel. These include domestic tion's annual 17bn therms of and office users, plus industries sales, pay 26p to 35p a therm that wanted gas for specialised

UK conventional weapons

build-up to cost £1.3bn

main battel tank-only weeks order for the British Shir I and

spend £4bn-£5bn on a new when the Shah was deposed.

THE GOVERNMENT gave the Challenger main battle tanks. Elswick, where workers are

1984. The Challenger is based

on the research involved in the

before an expected decision to Shir II tanks cancelled by Iran from the Government decision

The succession of tanks

research and development work

leading to the new Challenger

A top civil servant may ask to be "dissociated from

responsibility" if the Govern-

ment buys British replace-ment aircraft for the RAF

in preference to cheaper

American ones. Back Page

tank, the Ministry said yester-

day after the Government state-

ment in the House of Commons.

most of the work on the Challenger will continue, as

The balance of the latest Leeds—the "preferred source a reconnaissance regiment arms programme, £300m, will of supply." This suggests that would be given a new role with buy an initial batch of 240 Vickers Defence Systems at Chieftain battle tanks.

remaining independent heavy Recently, Foden had taken heavy truck maker to actually commercial vehicle manufac decisive action to get itself into increase sales.

its work force, involving 630

forced redundancies by October.

followed the loss of 300 jobs

last October, when Foden decided to stop making its own

Shares had been suspended had fared better than most declared intent of reducing earlier in the day. Trading truck manufacturers in the overheads. Apart from cutting in the ordinary was halted at market place.

in the ordinary was halted at market place. the workforce, there has been 23p (down 2p on the day). The Its registrations in the a stock-cutting drive within the shares reached a 1979 high of first six months, at 723, were plant and efforts to sell outside

61p and this year have reached only about 70 down on the 1979 major components from the S10

The cuts, across the board,

Fodens calls in receiver

turers, has called in a receiver more efficient shape.

After meetings with its announced a 25 per cent cut in

45p, when bid roumours were period. Until the end of May, range.

The Government expects that

The first will be delivered in short of defence contracts—as

now, to be carried out at the regiment to be formed in the

Royal Ordinance Factory at Rhine Army in November when

be used just for raising steam." The corporation added that in

a totally free market "we would be able to price gas at a higher level than gas oil." At least one chemical company is already known to have been asked to pay more than 42p a therm for contract gas when it sought extra supplies -with the warning that the corporation might not be able to provide the gas even if the customer were prepared to pay

British Gas said that the increases would be part of a "rolling programme" and would come into operation only as contracts came up for renewal. The British Gas increases coincide with new demands from the Chemical Industries Association for secure supplies of gas at cheaper prices for manufacturers. The Association has sent detailed plans for breaking the British Gas monopoly on industrial supplies to the Government.

In a paper released today outlining its proposals, the association says UK chemical companies are now paying as much as 17.5p a therm more for their firm gas supplies than Continued on Back Page

a direct result of the cancella-

tion of the Shir tank orders-is

unlikely to benefit substantially

However, Rons-Royce Diesel

as the Challenger is built around

the Rolls-Royce 1,200 hp diesel

The final number of Challen-

replace up to half the 900 existing Chieftain tanks with

An immediate improvement

in the Army's armoured capa-

bility would come with the

decision, also announced yes-

terday, for a ninth armoured

Foden was the only British

This was primarily because of

a new truck range, the S10. How-

the past two months, and since

the third week of June employees at Foden's Sandbach,

Cheshire, plant have been on

three-day working.

A new management team, led

the Rhine Army.

on Challenger.

Output of UK manufacturing down by 8%

BY DAVID MARSH

THE PACE of Britain's slide into recession was highlighted yesterday by Government figures which show an 8 per cent drop in manufacturing output during the 12 months up to the early summer.

Manufacturing industry has been particularly hard hit by a combination of weakening demand, high stocks and strong foreign competition. But there has also been a marked slow-down over the whole of in-

According to Central Statis-tical Office calculations which allow for the effects of the first quarter steel strike, the under-lying level of total industria! output in the three months March to May was more than 4 per cent below the generally flat level of last year.

The figures show that industrial output in May dropped a provisional 0.1 per cent from basis. This took the index of all industries production to 107.0 (1975=100). Government statisticians now

say the drop in total output in April was much sharper than first thought. According to revised figures, production fell by 1.7 per cent compared with March, well above last month's original estimate of a 0.6 per cent fall. This drop was in spite of the

ending of the steel strike at the per cent lower. beginning of April.

demand among steel customers.

INDUSTRIAL PRODUCTION 1975=100, seasonally adjusted industries facturing

1126

1125 110.6

100.9

107.1 Source: Central Statistical Office

But industry's stock levels appear to have been so high that in the words of one Whitehall official yesterday — "There was no catching up to be done."

The 8 per cent drop in manufacturing in March to May compared with the same 1979 period exaggerates the underlying

Output during March to May last year was boosted above the 1979 average by the industrial recovery which followed the winter's road haulage dispute. On a shorter time scale,

manufacturing output during the latest three-month period was 4.5 per cent below the previous previous December-repruary quarter. All-industries produc-December-February tion—which includes sectors energy, construction. utilities and mining-was 3.4

Yesterday's figures underline Resumption of work would the extent to which rising normally have been expected to North Sea oil and natural gas lead to a spurt in activity to output has protected the UK catch up with a backlog of from an even sharper economic slowdown.

.⊭Amounts Outstanding Planned Repayments

Kuwait bid for 15% stake in Getty Oil

BY DAVID LASCELLES IN NEW YORK

of nearly 15 per cent in Getty Oil. If the deal goes through, it will be worth nearly \$1bn and will represent the largest overseas investment of its kind by a member of OPEC. ordered by the Shah had made "some contribution" to the pected to benefit in a big way,

The proposal was confirmed esterday by the executors of former head of the oil company, who died in the UK in 1976.

They said they had received considered soo an offer from the Kuwait Minisearly as today. gers to be bought has not been decided, but the ministry is department of \$82 a share for working on the assumption that the 11,970,340 Getty shares Museum in California, making challengers will eventually owned by the estate. The deal it one of the best endowed in would total \$982m. These shares the land.

KUWAIT plans to buy a stake represent 14.6 per cent of of nearly 15 per cent in Getty Getty's outstanding common The offered price is higher than the \$79 at which Getty shares have traded recently,

though it is well below their 52week high of \$97. the estate of Mr. J. Paul Getty, Company, executors of the Getty estate, said the offer had come considered soon, possibly as

> Mr. Getty bequeathed his shares to the J. Paul Getty

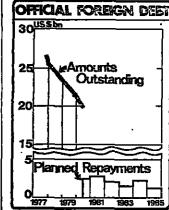
to repay \$1.7bn of debt BY DAVID MARSH

BRITAIN PLANS to further reduce the level of overseas official debt by making early repayment of almost \$1.7bn of Eurocurrency loans raised from international banks.

The funds will be repaid out of the reserves during the rest of the year, and the move will have no direct effect on sterling. It does however demonstrate the Government's confidence in the backing given to the pound by a combination of North Sea oil and tough monetary policies.

The main element in the debt-reduction package will be the repayment of a \$1.5bu loan raised by the Government from the Euromarket in 1977. Additionally, the Post Office is repaying ahead of schedule \$160m borrowed in four separate loans from foreign

Announcing the repayment plan in a written Parliamentary answer vesterday. Mr. Nigel Lawson, Financial



Secretary to the Treasury, said the decision was in line with the Government's objective of securing a substantial reduc-tion in official external debt during the life of the present Parliament.

Since entering office the Government has repaid \$4.6bn of everseas debt, made up of \$2.8bn of scheduled payments and \$1.8bn ahead of schedulc. Taking account of new borrowing of \$2.2hn during this period, net repayments are \$2.4bn.

This has left \$19.8bn of Government and other public outstanding at June 30. This figure compares with the neak foreign debt level of \$26bn in October 1977 in the wake of the borrowings made by the Government in the midseventies to shore up sterling and the balance of payments. The Labour Government Continued on Back Page

ever, the heavy trucks market has taken a sharp downturn in

Have you noticed that the more your business expands, the more your storage areas develop "Middle-age Spread"?

Which usually means you have to buy or rent extra storage space - no joke at today's enormous prices.

So grow up, instead. Talk to Lansing about narrow-aisle lift trucks-reach trucks and turret trucks. They save you space by

stacking goods much higher than ordinary trucks. And because they are narrow-aisle trucks, more of your existing storage areas can be used for storage, less for unproductive aisles.

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throughout Britain. Look in your local Yellow Pages for yours.

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Retail trade: a chill wind after the storm 16 U.S. truck industry: diesels keep Detroit Management: implications of the 1980

Wine: dry types from the Danube ... 14 Lombard: Anthony Harris discusses counter-advice14 Editorial comment: British Rail; OPEC

Unit Trusts

World Trade News World Value of £ 21 Wall Street ANNUAL STATEMENTS 26 13 17 14

For latest Share Index phone 01-246 8026

Ironically, last night's by executive chairman Mr. announcement came at the end Douglas Paybody, took over of a half-year in which Foden earlier this year with the

had fared better than most declared intent of reducing

and Third World 16

Survey: Property Inset

Weather

EUROPEAN NEWS

Russians block German TV report

Bracing for the flood of foreigners

BY DAVID SATTER IN MOSCOW

foreign guest.

ing gum.

Meanwhile, in

told that "Zionist and pro-

devices which the Soviet media

have warned against are "anti-

Soviet" leaflets and literature

slogans and pictures of Soviet

rumour is that foreigners are

The U.S.-led boycott has

denied the Soviet Union much

propaganda value by preventing

between the two great powers. It

has reduced the competition in

many track and field sports and

all but destroyed it in eques-trian events, sailing and field

hockey. Only 82 countries will

Montreal in 1976 and 122 in

number of visitors from an ex-

compete compared to 88

Munich in 1972.

sporting confrontation

BY OUR MOSCOW CORRESPONDENT

A ROW seemed to be building that holding the Olympics in up over Olympic Press coverage vesterday after the refusal by the Soviet authorities to relay West German television report from the Olympic broadcasting centre because of what they described as its political

of the ARD television network, a part contained an interview concerned the attitude of the with a Soviet dissident. concerned the attitude of the Soviet authorities to the games and consisted largely of quotations from Soviet newspapers. It also compared Soviet Press claims that sports and politics

Games open in Moscow next

peting than at any time since

1956 and amid the tightest

security in the history of the

An air of anticipation hangs

over the city not only because the authorities are anxious to

prove that, after 63 years of socialism, the Soviet Union can

hold the Olympics as well as

any other country but also because everyone is curious as

to how they will deal with so

Work is almost complete at

many foreigners at one time.

the 76 Olympic sites scattered

across Moscow. The Luzhniki sports complex and the Dynamo

stadium, the city's two major

sports facilities, have been com-

improved facilities for specta-

tors and new banks of flood-

lights have been installed for

has been spent on the games.

The process of repainting uildings and demolishing

buildings and demolishing cyesores is drawing to a close and the city is emptying as

Muscovites leave on holiday.

Moscow continues to be

inundated with vast numbers of

uniformed and plain-clothes

police, many of them from the

provinces. The latest estimate now puts the number of militia

in the city at 200,000 or more

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$385.00 per annum. Second Class postage peid at New York, N.Y., and at additional mailing centres.

remodelled

Saturday with fewer teams com-

fought over, the 1980 Olympic foreign guests expected.

night events. According to foreigners seeking to engage in Western estimates some £1.3bn political discussion. The news-

Moscow was a triumph for Soviet foreign policy.

Herr Bednarz said he was told that his report had been blocked because it concerned politics officials also complained that the series of four transmissions of The report, by Klaus Bednarz which the censored report was

Herr Bednarz said no such interview had been included and the only mention of a dissident —Yelena Boner, the wife of Dr. Andrei Sakharov, the exiled should not be mixed with an- Soviet dissident leader-was in Party handbook, which said the information of his editors.

LONG AWAITED and bitterly than double the number of foreigner to the news a

The last major influx of

foreigners was in 1957, when 30,000 young people from 120

countries came to Moscow for

the World Youth Congress.

This time, the numbers are

much greater and their arrival

occurs at a time of international

tension. The Soviet authorities

have taken steps to minimise

their effect. The newspaper Sovetskaya Rossiya warned

readers on Sunday to beware of

foreigners seeking to engage in

paper said that young Russian

speakers from the West who

were "skilled in holding heated political debates" had been

trained by Western intelligence

services for "subversive activi-

people who have taken jobs at

the Olympic sites have been checked for political reliability.

They have also been given strict

instructions not to fraternise

A questionnaire prepared last

year for them contained advice

on how they should react to

ranging

criticism of Soviet society by a lost hard currency.

The thousands of young

ties" during the Games.

with foreign guests.

situations

Instead of using the Soviet broadcast centre. Western Television networks have the option of sending film or videoensorship, but that procedure is much slower

of the : Olympics organising Olympics to become the opporcommittee, has called on the tunity for reports on Soviet world's Press to provide "well-society. intentioned and objective coverage" and the Soviet news agency, Tass. has reported approvingly the remarks of Lord Killanin, president of the International Olympic Committee, who said that foreign journalists in Moscow for the games other claim, from a Communist a message intended solely for should confine themselves to

The issue raised by the censoring of the ARD transmission may grow in importance because security measures in tape by air, thereby avoiding Moscow have been intensified in preparation for the games. The Soviet authorities have made Mr. Ignaty Novikov, chairman clear that they do not want the

In recent weeks, Moscow police have interfered with U.S. television correspondents seeking to cover the final Olympic preparations and in one case, a television crew was prevented from filming Red Souare because it was "not an

about Western objections over

the invasion of Afghanistan be-

tion from their governments or

and their isolation from ordi-

designed primarily to remind

ordinary citizens that unauthor-

centre of the city and probably

and Russian to meet by chance

without a militia man approach-

ing to guarantee the foreigner's

presence and a host of petti-fogging security precautions,

such as the use of passes and

metal detectors to clear resi-

dents for entry into their own

hotel, could cause incidents of

If the Soviet authorities do

not show moderation in their

between foreigners and Soviet

But the overwhelming police

ised contacts with foreigners

The build-up of police and

nary Soviet citizens.

foreigner to the news a But the boycott has done colleague had had sex with a little to inform Soviet citizens

broadcast on July 6, millions of cause many Western teams are

ordinary Soviet viewers were attending either without objec-

fascist groups under the direc. in spite of it. The Olympics tion of the U.S. Central Intelligence Agency were plan-

telligence Agency were plan-advertisement for Soviet ning acts of psychological war-society. But this will depend

fare subversion and sabotage on the quality of the facilities

during the games. Among the provided athletes and spectators

and shirts, blazers and umbrellas KGB in Moscow is apparently decorated with human rights designed primarily to remind

Official warnings in the Press are strongly discouraged. With

have been supplemented by two or more uniformed militia

rumours. The most common men on every street in the

planning to spread syphilis in as many again in plain clothes,

Moscow through infected chew- it will be difficult for foreigner

their own.

The boycott also reduced the attempts to prevent contacts

pected 300,000, including 120,000 citizens, they may defeat their Westerners, to 100,000, with per-own purpose. Even the most

haps 30,000 Westerners. This naive foreign visitor will go

will cost the Soviet Union hun- away having learned something

from dreds of millions of dollars in basic about Soviet society after



Thatcher for talks in Belgrade

THE BRITISH Prime Minister Mrs. Margaret Thatcher, is to pay an official visit to Yugoslavia in September for talks with Mr. Veselin Djuranovic, the Yugoslav Prime Minister.

In spite of previous invita-tions by the late President

Mr. Djuranovic is considered

Having devalued the dinar by 30 per cent last month the authorities are now engaged in a "hearts and minds" policy aimed at pursuading Yugoslavs that even under socialism, people are expected to work hard, show initiative and not pay themselves more than they earn.

Meanwhile, the International Finance Corporation. the risk venture arm of the World Bank, has announced a sychic Batte, has amounted a \$32m (£13.5m) lean to a group of eight Yugoslav banks, led by Ljubljanska Banka. It will be used in a \$96m scheme to finance small scale enterprises.

Mr. Djuranovic: architect of

and other officials.

Tito, no British Prime Minister has paid such a visit minster has paid such a visit since the war, although Mrs. Thatcher attended the Yugo-slavian leader's funeral and went to Belgrade for talks in 1977 while still leader of the

an economic expert and one of the architects of Yugoslavia's current stabilisation pro-

Yugoslavia's independent foreign policy, particularly its outspoken criticism of Soviet actions in Afghanistan, Vietnamese action in Kampuchea and Cuba's attempt to swing the non-aligned movement in a pro-Soviet direction, also corresponds closely with Mrs. Thatcher's view of the world.

West German investment abroad reaches new peak

GERMAN investment vear of DM 7.8bn (£1.9bn) and investment in foreign markets is fast reaching the total of foreign investment in West Germany. According to a report of the

Institute for the German Economy (DIW), investment abroad now totals more than DM 66bn (£16m) compared with cumulative foreign investments in West Germany of some DM 68bn

West German investors have been looking to foreign markets: for attractive investment opportunities in increasing numbers since 1973, according to the Institute. But the momentum gathered particular pace last

Since 1974, West German companies and private investors have been exporting particularly strong attack from more capital than has been some of the most important flowing into the country. In the sectors of the West German

German overseas investment against foreign investment in West Germany has been reduced from DM 16bn in 1974 to only

DM 2bn last year.

The Institute highlights a number of factors behind the particular West German push overseas in the past seven years, including the steadily rising worth of the Deutsche Mark, the need to secure access to new foreign markets and to ensure the security of key raw material supplies and the rapid rise of labour costs in West Germany.

The most important target for foreign investment remains the U.S., which has taken around 20 per cent of the West German total since 1961. The U.S. market has come under

economy, such as chemicals, pharmaceuticals and the motor industry, as well as banking

and electronics.

Apart from the U.S., France and Belgium / Luxemberry. account for about 10 persont each of West German foreign investment, followed by Switzerland (almost 8 per cent), Brazil (7 per cent) and

the Netherlands and Canada (6

per cent).
In a report published yester day, the Institute said the investments were concentrated on a fairly narrow front, not only in the U.S., but also in the other major target countries. Almost three-quarters of West Germany's total foreign invest-ment has been devoted to only exploration and processing chemicals, iron and steel production, and the vehicle mechanical engineering an electrical

Strikes in Italy as Senate debates economic package

BY RUPERT CORNWELL IN GENOA

package, under savage fire from the Communist Party, today begins a rough parliamentary examination which may last well into August.

A fresh wave of strikes in part directed against the measures themselves, and in part against the Government's failure to tackle outstanding industrial problems, coincide with the Senate examination.

Into this second category falls journalists' and print workers' strike halting all Italian news-papers today. The stoppage is in protest at the lack of sub-stantial legislation to help the Press. Many papers, including Il Messaggero, Rome's most popular daily, are facing mounting financial difficulties.

More disruption could hit airports and railways this week, while a three-hour national stoppage is scheduled by 1.5m engineering workers in their campaign against expected lay-offs and staff cuts by Flat, the country's biggest private industrial concern. The most important issue re-

for whose management the unions would be given partial responsibility. The federal union leaders last weekend reiterated their backing for the 0.5 per cent munists try to obstruct them.

gest bone of contention is the

salaries to finance a "solidarity

fund" for depressed sectors,

ITALYS deflationary economic mains the fate of this month's tax, to which they agreed in economic package, which the negotiations with the Govern-Communists will use to attempt ment—in the face of Comto bring down the present munist threats to mobilise to coalition Government. The big unions against the measure The prospect of a split provision for a special tax of between the Communists and 0.5 per cent on industrial the union leadership sin threatens, despite the desire of

> between these traditional allies Much hinges on the extent to which the Government is prepared to compromise on its measures, and on how the Com-

both sides to avoid a

Portuguese air strike off

BY JIMMY BURNS IN LISBON

AIR PORTUGAL, the troubled Ramalho Eanes shortly before national airline, won a tem- an emergency Cabinet session porary lease of life yesterday, which was expected to announce when pilots called off a crippling three-week strike over pay and working conditions.

The pilots reached their decision following a surprise meet described his acting with President Antonio tremely positive."

the temporary shutdown of the company.

The pilots denied yesterday they had come under any pres-sure from President Eanes, and described his action "as ex-

he new French Franc Iravellers Che

Supported by 90 years of worldwide service.

Good news for travellers and tourists. Announcing a new French franc travellers cheque issued by the Société Française du Chèque de Voyage (SFCV) – a Company associated with years of experience in the travellers cheque business.

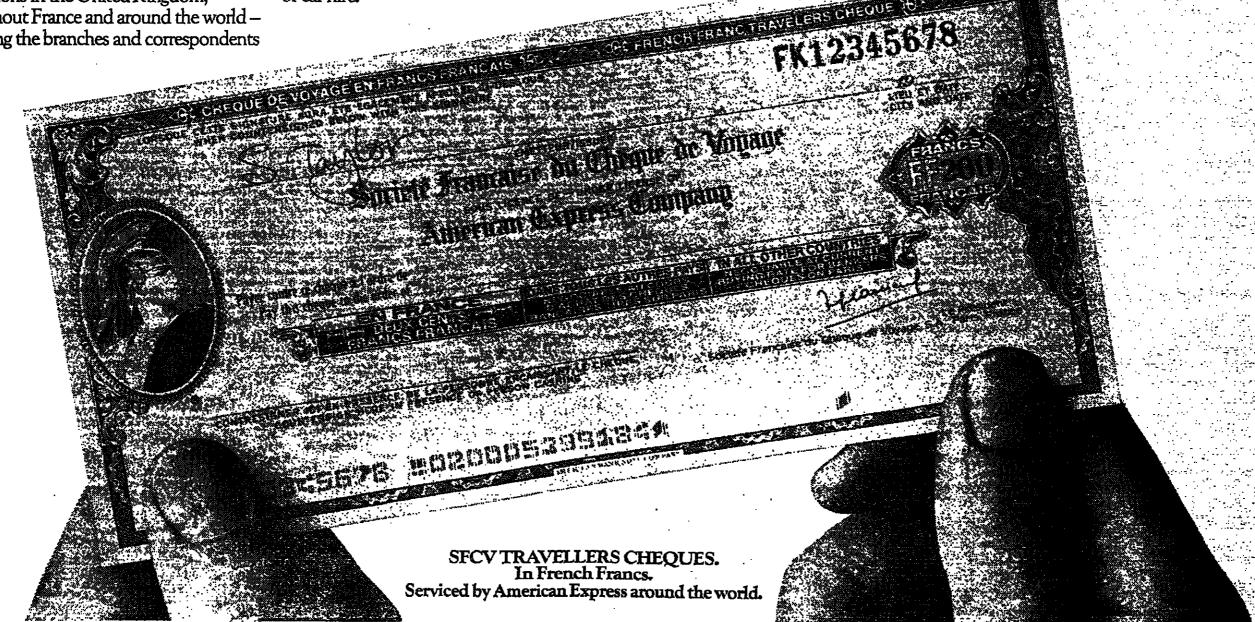
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of the co-founding companies: Banque Nationale de Paris, Crédit Lyonnais, Crédit Agricole, Crédit Commercial de France and through all offices of American Express.

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So before you depart for France on holiday or for business be sure to buy the new SFCV French franc travellers cheques - serviced by American Express; with 90 years of experience.



Poland has witnessed a remarkable surge of worker power. Christopher Bobinski reports from Warsaw.

Where a strike is as good as a pay rise

will again come into its own.

crowd when things calm down.

POLAND'S working class has usually quickly settled again shown that it is a force never publicly reported. to be reckoned with. Over the most common causes of induspast fortnight strikes in sup trial disputes have been cuts in port of wage demands have wages or bonus payments. port of wage demands have wages or bonus payments. flared up at many factories and the authorities have been too, are fraught with tension. Stoppages have also been known delegates. For the moment at and the instantial payment at the custom that the stoppages have also been known delegates. delegates. For the moment, at and the authorities have at least, the Polish leadership has their disposal emergency stocks ruled out force as an option, and it is quite likely that the coming months could see the development of an independent coming months could see the high development of an independent trade union movement in Polish well aware of their power en

industry masse. But that power has Poland's uniqueness in the been used to defend existing Communist bloc stems from the income levels. What the authofact that the working class has rities are now faced with is the twice helped to topple Govern- new threat ments since the war, in 1956 increases. and 1970. Ten years age it was the attempt to use force to put when the authorities tried to down strikes against food price put up prices of some kinds of increases in the Baltic ports meat, which would have meant which brought down the regime that 30 per cent of meat supof Mr. Wladyslaw Gomulka. In plies this year will be sold at 1976 the present leader Mr. prices up to 100 per cent higher 1976 the present leader Mr. prices up to 100 per cent higher Edward Gierek was careful not than normal in special shops. to repeat the same mistakes. The shifting of selected meat to and prudently withdrew from the more expensive shops has another attempt to raise meat been going on since 1978. In prices at the first hint of that year state income from trouble. Now another move to meat sales rose by 5 per cent raise some meat prices has and by another 6 per cent last triggered off the present unrest and instructions have gone out have got away with it this time to factory managers to defuse too if it hadn't been for the tension and grant wage generally irritable mood in the increases where necessary. country caused by continuing

This stance is not new. Strikes, or the threat of strikes, are by no means rare in Polish with changes in wages and pro-industry, although they are ductivity norms in plants in the

which have been known to appear when discontent runs

new threat of demands for wage

The present trouble started when the authorities tried to country caused by continuing shortages in the shops. The wage increases also came together demanded with changes in wages and pro-



engineering industry. Last but not least they tried to put up the price of bacon—a workingclass staple.

Some plants like an aircraft factory at Mielec in southern Poland struck for and got a return to old productivity norms and a wage rise of up to 15 per cent. On Saturday the FSO works in Warsaw went back after receiving pledges of a similar increase. Other plants like the Zelos TV plant outside Warsaw went back after they The authorities might got promises of a return to the old meat prices. At Zyrardow west of Warsaw two textile plants were still striking at the weekend in support of general increases improvements in works conditions and an inquiry into the way raw materials were industrial disputes fast. They porary weakening of production

than before. Surveys carried since the beginning of July the than before. Surveys carried dissident Social Self Defence out a few years ago show that Committee (KOR) has docuthey are well aware of the lack mented 30 industrial stoppages. of democracy at their work As the country's media has place and the failing of the still not admitted that any official trade unions in defendunrest exists, KOR which was ing their interests. There is set up in 1976 to defend workers also an acute awareness of invictimised after the demonstra- equalities in society and this tions that year, has emerged as explains the authorities' first the main source of news on the attempt last week to defuse tenpresent wave of strikes. Since sion by promising wage in-1976 the movement of some several hundred activists, creases for the lowest paid from next year. harassed at every step by the

The authorities admit in private that more disputes could be police, has continued to act as a human rights pressure group. Should the authorities in the on the way. The force of the wage demands is to be explained floor delegates active in the present wave of strikes KOR will again come into its a strike strike strike to be explained by the fact that real wages growth has fallen dramatically since the first ball. future attempt to victimise shop floor delegates active in the since the first half of the seventies. What is more the The workers are aware of the slowdown in the economy, the threat At the tractor plant in need to control inflation and Ursus just outside Warsaw the burden of foreign debt which was one of the first to servicing, amounting to \$20n a out and won a 10 per cent wage increase. workers' delethat the authorities have been gates demanded and received planning low wages growth for written assurances from the the coming year. Despite the management that they wouldn't pragmatism the party has shown be victimised. Reports from when faced with the present other plants where strikes have situation the indications are that it is not yet ready to treat the working class as a partner occurred say that the manage-ment often finds itself talking to changing teams of shop floor in the difficult times which lie

delegates as the workers ahead. evidently assume that it will be . The The media is still not being more difficult to victimise a allowed to mention the industrial unrest and for their own internal use the authorities have This shows a working class which is learning the rules of coined the euphemism "tem-



Mr. Gierek: Taking

a soft line. dynamics" to avoid the word strike. The official trade unions largest are being brought in by the authorities into the wage negotiations on the management reaching reforms have alread side and this shows the authori- pointed out that changes would ties seem unable to concede of having them slip from their control. The general impression is that the leadership, relieved that no one has marched onto the streets, aims to muddle through by giving way where necessary and hoping that the discontent will ebb over the summer.

censorship in its present form of the economy and the reforms class.

necessary to improve conditions It has also proposed the introduction of meat rationing as the only fair way of resolving that problem for the present.

The debate over the future of the country is only just begin-That debate and the industrial unrest of the past few weeks is sure to be watched carefully by the Soviet Union always wary of reforms in neighbouring countries which might prove an example to its own people.

The Polish Party will be well aware that the Soviet Union has not shrunk in the past from ruthlessly stamping out changes which threatened its interests as in Czechoslovakia and Hungary. But Poland as the largest Eastern European country, enjoys a special status in the block. Advocates of far reaching reforms have already ensure social stability and economic viability — factors which should be warmly which should be approved by Moscow.

Poland's Communist Partyand the Soviet Union next door -has since the war learned to live with a farming sector which is largely in private hands and independent and outspoken But KOR has already de- Catholic Church. The time has manded the abolition of State come when a similar modus and an open debate on the state found with Poland's working

Turks begin flights to Greece

ATHENS—Turkish Airlines yesterday resumed regular flights to Greece, using the air corridors over the Aegean Sea that have been closed for six years.

The two countries banned commercial traffic over the Aegean in the wake of the Turkish invasion of Cyprus in 1974, but they lifted the ban in February, enabling commercial airlines to fly a direct route between Greece and Turkey.

Olympic Airways, Greece's national carrier, said resumption of flights to Turkey is not expected to be considered until later this year because its summer schedule has already been published.

The resumption of flights is one of the most positive developments between Greece and Turkey which have quarrelling been Aegean seabed and airspace rights since 1974.

The two countries have been making efforts to improve their relations, and after a meeting in Ankara last month, their Foreign Ministers promised to work for a peaceful settlement of their differences.

EEC ENLARGEMENT

Firm British support for Spanish entry

backing for Lisbon's bid

Herr Genscher told Portugal's leading weekly publication, Expresso, that negotiations on Spanish and Portuguese entry should not be allowed to stagnate but should proceed "without any further delay." He stressed that discussions on the EEC's budget and common agricultural policy could be held in parallel with enlargement negotiations.

parallel with enlargement negotiations.

"The West German Government does not see any reason shy the present calendar (set for enlargement) should be altered," he said.

Gibraltar border hitch

BY TOM BURNS IN MADRID

BRITISH Agriculture Minister, Mr. Peter Walker, has called for Spanish entry into the EEC without "dithers or the EEC without "dithers or preparing the ground for Mr. delays." He made his state-ment after a meeting yesterday Bridges, Deputy Under-Secrewith Spanish leaders. It con-stitutes the strongest endorse-ment to date of Spanish admission and contrasts with France's concern that enlargement of the Community be delayed until budgetary problems are re-

In a pointed reference to the the EEC budget was considerably greater than France's and that Britain had never had the give pleasure to the enemies of European democracy."

planned before the recent negotiating European entry deterioration of relations Despite the French position, between Spain and France and officials said he was return-

BY JIMMY BURNS IN LISBON

reaffirmed its support for Portu-

guese entry into the EEC, thus

further allaying fears in Lisbon that its admission to the Com-munity might be delayed because of French concern

about expansion.

This reassurance has come in

separate interviews published here yesterday with Herr Carl Kartens, the West German President, and Herr Hans-Dietrich Genscher, that countries the Marie Herr Hans-Dietrich Genscher, that countries the Marie Herr Hans-Dietrich Genscher, that countries the Herrich Herric

try's Foreign Minister, on the

eve of their official visit to

Portugal.

President Kartens told the

Diario de Noticias that West Germany was aware of the "political dimension" of Portu-

guese and Spanish member-ship and, therefore, "supports, to the extent that it can, entry of Spain and Portugal into the

Community as quickly as

iltered," he said.

Herr Genscher told Portugal's

Portugal and Spain are

larrington, the British Foreign

WEST GERMANY

January by Sr. Jaime Lamo de Espinosa, the Spanish Agricul-ture Minister. But, last week, tary of State at the Foreign Office, held talks here at the Spenish Ministry for relations with Europe and reportedly spelt out then Britain's whole hearted support for enlarging the Community.

Earlier this month, M. Raymond Barre, the French Prime French position, Mr. Walker Minister, confirmed Spanish said Britain's contribution to fears when he briefed officials here on-his Government's opposition to negotiations covering slightest hesitation in support- Portugal before the completion ing a greater Europe. Spanish of discussions—of the Com-entry would strengthen Europe munity's present internal and any opposition to it would reforms. The French position was termed as unjustifiable by Sr. Leopoldo Caivo Sotelo, Mr. Walker's visit had been Spain's Minister in charge of

Spain is sticking to the January cials said he was return. 1, 1983, target date for signing visit to London last the treaty of accession.

has scheduled to join the Com-r Portu- munity on January 1, 1983.

policy.

France, however, has indicated

that it opposes extending the Community before the Nine

have decided on changes in the

financial and agricultural

The West German commit-

ment follows a tour of Euro-

pean capitals by Sr. Francisco Sa Carneiro, the Portuguese Prime Mimster, during which

he received support from all

EEC member states for Portu-

gal's entry. After talks in Paris at the beginning of June. Sr.

Carneiro said that he remained

convinced that Portugal's mem-bership agreement could be

signed next year and that it

would come into effect in 1983. Portuguese officials, however.

have continued to voice con-

cern that this target might be put back and that Community rules could be "very different"

to those on the basis of which

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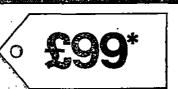
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We think you'll find our exclusive separate cabin for businessmen is an excellent investment, for, after a long flight, you'll arrive in a much better state to do business.

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7. Hey presto, your chair turns into a bed.

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find it's less like sitting in a tube, more like sitting in a hotel lounge.

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estrictions dependent on pro- Britain and Spain.

ions. In an effort to try to ind a solution, a meeting of unions opening branches in he two Ministers is planned. Gibraltur is seen as a matter

he two Ministers is planned. Gibraltar is seen as a matter it appears that Spain would for discussion between union refer a gradual lifting of headquarters. In Gibraltar,

BY OUR GIBRALTAR CORRESPONDENT BRITAIN IS encountering diffigress at formal negotiations. ulties in persuading the But this is not what was decided in Lisbon, says Sir Joshua he Gibraltar border as agreed Hassan, Gibraltar's Chief

n Lisbon last April by Lord Minister. Sir Joshua added that the lecretary, and Sr. Marcelino Gibraltar frontier must be like breja, his Spanish counterpart. any other in Western Europe. Preparations for lifting the There should he normal customs estrictions, imposed by Spain controls and passports would be used. Other entry arrange ompleted six weeks ago, but ladrid is apparently attempting to obtain political concessions. In an effort to tree to

The complex issue of Spanish

Baghdad favours oil seizures and boycott of U.S.

Minister, Mr. Saadoun Hammadi was quoted yesterday as saying that his country favoured nationalisation of all foreign oil companies and a total boy-cott of the United States in

Mr. Hammadi said Iraq would not be surprised if Palestinian commandos made good their threat to attack oil rouses if the Arab states refused to a consensus developed on those mobilise their resources.

Replying to a question, Mr. Hammadi said the Iraqi Government fully supported the use of the oil weapon to promote the Arab position in the struggle with Israel, but was not prepared to use that weapon unless all the arabs agreed to its use. "When we talk about using the oil weapon in the battle, we're talking about the use of an effective weapon, and Iraqi oil alone would not be effec-

Economic and Social Council in Jordan that effective use of in Jordan that effective use of borders of the Arab countries the oil weapon should be based on two fatcors. The first was better "Reuter

of the foreign companies to the national Governments, in other words the nationalisation of those companies. The second factor was the financial power In an interview with the U.S., and the boycott of the U.S. accommically, politically English language Lebanese magazine. Monday Morning. U.S. position was hostile to the U.S. accommically, because the U.S. position was hostile to t

Asked what his Government's reaction would be in the event of U.S. military intervention in the Gulf to protect U.S. interests, Mr. Hammadi said: "We can never, under any circumstances, accept the interven-tion of any big power, be it the U.S. or anyone else, in the affairs of the Arabian Gulf or any other part of the Arab

tive." he said.

Mr. Hammadi said he told the recent conference of the Arab no opportunity to keep the super-powers as far from the

hilly terrain and are not

The Russians are also

enforcing a passport system

similar to that used in their own country so that Afghans

cannot move outside their

places of residence without

There are unconfirmed reports of the presence of East European and South

Yemeni troops in Afghanistan,

in addition to the 85,000 Soviet

@ India's Defence Ministry

has started negotiations with

confined to roads.

permission.

soldiers.

strike aircraft.

the

Afghan villages destroyed

THE RUSSIANS are reported carriers. They can be used in to be intensifying action against villages in all parts of Afghanistan where rebels are thought to have been harboured and which are near points where Russian convoys and troops

have been attacked. Diplomats here say that in the past 10 days at least 60 villages have been destroyed by aerial bombardment and ground attack. Thousands of inhabitans were killed or wounded. The attacks are said to be con-

Increased air traffic into Kabul is also reported. At least two flights an hour of heavy aircraft such as IL-76s and AN-12s are said to be arriving and by day and night. They are The believed to be carrying military equipment regarded as more suitable to Afghan conditions.

Heavy tanks and anti-aircraft guns initially brought in by admires the MiG's versatility the Russians are being with and sees it as a replacement drawn and are being replaced for obsolescent aircraft still in heavily armed troop service.

Chairman Hua may lose premiership

By Tony Walker in Peking

SPECULATION about the future of Hua Guofeng, the 59-year-old chairman of the Chinese Communist Party and China's Prime Minister, is adding spice to the run-up to the National People's Congress (China's Parliament) which is expected to be held next month. Vestern and Eastern bloc

diplomats in Peking are con-fidently predicting that Chair-man Hua will lose the premiership, a position he has held since Chou En-lai's death in 1976. If this were to happen, it is likely that Zhao Ziyang, now executive Vice-Premier in charge of day-to-day affairs of state. would assume the premier-

The People's Congress could herald a major shake-up of leading state positions. Mr. Deng Xiaoping, the senior Vice-Premier, has indicated that he will relinquish his vice-premiership. Others to bow out of office may include Li Xiannian. Both Li, who is. in effect, number three in the hierarchy, and Deng would retain their party positions. Several other party veterans are also expected to give up state positions.

But there are suggestions that Hua is not entirely happy about the pressure, and may have attempted to resist it. Even now, it is by no means certain that he will give up the premiership this year.

Suzuki to take over party today

MR ZENKO SUZUKI, the "dark horse" candidate for Japan's political leadership, will be appointed leader of the ruling Liberal Democratic Party at a caucus to be held this afternoon, Charles Smith reports from Tokyo. He will be elected Prime Minister at a session of the Diet on Thursday. Mr., Suzuki, a former Agricul-

Soviet Union to acquire manufacture the MiG-23. ture Minister, emerged as The deal is not expected to leading candidate for the party leadership last week after various sections of the endanger the contract with British Aerospace for Jaguar party had raised strong objections to other candidates. It The Indian Air Force seemed clear yesterday that he had been accepted as a compromise candidate by all sections of the party.

Senghor's aid to farmers may anger the towns

BY MARK WEBSTER, RECENTLY IN DAKAR

Finance Ministry official prodded the air with his forefinger to emphasise his point: We have to achieve a real urban to the rural sector." he said. "It will be painful for the unemployed are swelled by the city dweller but it must be discontented farmers coming in from the hard-pressed rural

squeezed by the introduction last December of a five-year IMF-backed austerity plan to supermarkets. deal with the country's In the sticky economic crisis. If, in addition, the volatile city population is asked to make further sacri-

expect fierce opposition.

Murmurings of discontent have already been heard from of Senegal's 5.5m people live. In January, students protested at everything from government corruption to the lack of jobs for graduates. Periodic strikes in the public service and industry have shown that dissatisfaction is simmering there too.

The Government of President implementing its austerity package and measures in favour of the rural sector. He knows that an economy in

Senegalese aggravated the uncertainty. Senegal's worst economic demands urgent attention. In "We have to achieve a real the sprawling residential areas shift of resources from the around the capital there is

Just how painful remains to areas. Only the wealthy can be seen. Observers point out still enjoy the comforts of that Senegal is already being squeezed by the introduction streets, its excellent French restaurants and its well-stocked

In the sticky heat of the semiarid interior, a bad harvest will add further to the hardships of the peasantry. Even the most fices in favour of the rural optimistic official believes it sector, the Government must will take years rather than expect fierce opposition. months for the measures in favour of the rural sector to have already been heard from bear fruit. In the meantime, an the cities where 30 per cent inflation rate unofficially put at some 15 per cent a year will continue to erode the farmers' incomes.

Government's first austerity buget, introduced two the worsening picture. In 1978, the deficit on the overall CFA 20.1bn (£41.4m) and in Leopold Senghor must there. 1979 despite a particularly good fore tread carefully when peanut and millet crop the implementing its austerity deficit was CFA 19bn (£39.1m).

The biggest contributory factor to the deficit was the huge imbalance on visible trade



become a heavy commitment, accounting for some 19 per cent of total export receipts in 1979.

As a gesture of goodwill towards one of the West's best allies in Africa, some of the country's foreign backers have agreed to further substantial aid for the coming year. Exact sums have yet to be agreed but it is likely that France and the IMF will each put up around CFA 12bn, the World Bank CFA 10bn and the European Community should offer some CFA 25bn compensation for the failed peanut crop through its

export earnings.
They have been encouraged by the Government's apparent determination to force through years ago, had little impact on IMF-inspired measures designed to slow domestic consumption, increase investment in the productive sectors and improve efficiency in the parastatal organisations which account for about 40 per cent of gross domestic product.

The austerity plan itself, introduced last December by M. Abdou Diouf, the Prime difficulty is perfect ammuni—CFA 79.8bn (£164.5m) in Minister, aimed to increase tion for his increasingly 1978 and CFA 50bn (£103m) in revenues by 12.5 per cent troublesome opposition. The 1979. Senegal has relied in annually, limit increases in uncertainty surrounding the creasingly on foreign aid to Government spending, severely ageing President's own future plug the gap and managed to restrict credit to the Treasury, tonnes and cotton may decrease depend on how successful the and who will succeed him has attract some £104m in 1978, increase the tax on imports 29 per cent on last year to reforms are.

But it was also forced to in- from 5 to 10 per cent and around 25,000 tonnes. crease its foreign borrowings abolish export duties for all so much that debt servicing has goods except the two major and phosphates.

But in the longer term, the Government has to put new life into the productive sectors, especially agriculture which good chance slip for stirring specially agriculture which good chance slip for stirring still accounts for around 60 per cent of total export earnings. To achieve that, measures were introduced to put more money introduced to put more money into the farmers' pockets and the administration promised to reform the corrupt and inefficient state marketing organisation, ONCAD.

In April this year, the Prime Minister announced a rise in producer prices: 3 five year.

Stabez facility which guarantees developing countries debts, and increase in available inputs such as fertilisers and free food during the lean season. ONCAD has meanwhile lost a number of its functions to other Government bodies and a new chief executive has been appointed from the private But the reforms have come

under 500,000 tonnes compared sent term of office ends in with last years record 800,000 March 1983 and allow Abdon tonnes rice production may be Diouf, the Prime Minister, to down 20,000 tonnes to 120,000

The bad harvest is going to goods except the two major make it even more difficult for export commodities—peanuts the Government to impose its illegal, is unlikely to let such a

Population 5:5m

3GDP(1978); US \$2·190 im \$

(1978) US \$-325 2m; Events US \$390 4m

good chance slip for stirring anti-Government feeling. Resentment has been building on Senegal's political scene since the February 1978 elections when President Senghor. decided on a limited three-party democratic system. He belatedly allowed the creation of a fourth party but his critics

attacked the political divisions as artificial, some said arbitrary.

The President has consistently refused to recognise what many observers believe is potentially the most powerful of the filesal opposition groups—the National
Democratic Raily led by Chicik
Anta Diop. Anta Diops supporters say the party & left
out in the cold because it represents a genuine threat to President Senghor's Socialist Party which holds 83 of the 100 tonnes of peanuts had been slon, there is still a question delivered to the presses by May 1 (half last year's total), the millet harvest is avneated 4. too late to help this year's seats in the National Assembly disastrous crop. Only 420,000 To add to the political fen-

take over. But that may well

Australia's pay commission grants 4.2% rise

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA'S Abritration Commission yesterday granted the country's 6m wage and salary earners a pay rise of 4.2 per cent,

This is a rise of A\$10.50 (£5.13) a week for workers on the current average earnings

The rise will apply to 300,000 metal workers in spite of their campaign for a 35hour working week. Earlier the campaign to shorten the

working week by five hours caused the Arbitration Commission to suspend hearings into the national pay case and threaten to exclude the metal workers from any rise.

Representatives of the employers, the Government and the Australian Council of Trade Unions agreed at a specially convened session of the commission on Thursday that exclusion of the metal trades would lead to industrial disruption.

It would also virtually end

system operated over the past five years. Under this system the Arbitration Commission decides twice a year on a rise for workers in view of factors such as the rise in the consumer price index.

the centralised wage fixing

stage to uncontrolled collective bargaining. Sir John Moore, president of the Arbitration Commis-sion, said the campaign to

shorten working hours caused

Neither employers nor unions want a return at this

announced yesterday was less than rises being granted in many industries. Both Gov-ernment and employers have criticised these rises as likely to give further impetus to inflation which is running at 10.5 per cent and to unemployment, the present level of which is 6 per cent.

Reuter adds: Mr. John

the commission "particular concern." Another conference

would be called later to

The 4.2 per cent rise

examine the issue.

Treasurer, said yesterday that the favourable outlook for the Australian economy shown by recent indicators should not encourage complacency. It underlined the need for con-

tinued restraint.
Mr. Howard added that the indicators demonstrated the fundamental strength of the economy and showed it was performing better than a year

He is to present the 1980 81 budget on Angust 19.

Announcing our second base in the U.S.A.



The United Overseas Bank Group, Trade Finance Leaders in Southeast Asia, is pleased to announce the opening of our Los Angeles agency. The establishment of this agency, combined with our New York agency which has been in operation since 1977, means that we are now in an even better position to represent your business interests in the United States.

In fact, with 80 branches stretching from Singapore and Malaysia to Hong Kong, Tokyo, London and agencies in New York and Los Angeles, and with group assets exceeding S\$6.3 billion.

the United Overseas Bank Group (comprising the United Overseas Bank, Chung Khiaw Bank and Lee Wah Bank) is in a very good position to represent your interests almost everywhere. For further information, contact your local branch of the United Overseas Bank Group, or write to our Los Angeles manager Mr Anthony W.P. Phoon.

UNITED OVERSEAS BANK GROUP



Forty acres of America the beautiful

Forbes Wagon Creek Ranch. This is a truly outstanding opportunity to acquire substantial holdings in this picturesque section of America's great Southwest. The minimum ranch is forty acres ... forty spectacular acres carved from the gigantic Forbes Trinchera Ranch in the breathtaking Colorado Rockies.

In the past, two very different sections of the 260-square-mile Trinchera Ranch have been sold. One section known as Sangre de Cristo Ranches was marketed in five-acre areas. Another, called Forbes Park. was sold in one-acre parcels that included shared acres

Now, all of you who have ever dreamed of owning a big spread of land ... seekers of that chance of a lifetime opportunity...your search may well end with Forbes Wagon Creek Ranch.



Forbes Magazine, through its land subsidiary, Sangre de Cristo Ranches Inc., is offering for sale that magnificent land area in the northern section of the Trinchera Ranch. One of the last of the remaining big ranches in America, this land ranks as one of the country's best-known hunting preserves. In season, you can hunt deer, elk, bear, wild turkey, grouse and other abundant wildlife. Many of these 40-acre ranches command an unobstructed view of Mount Blanca, the fifthhighest mountain peak in Colorado.

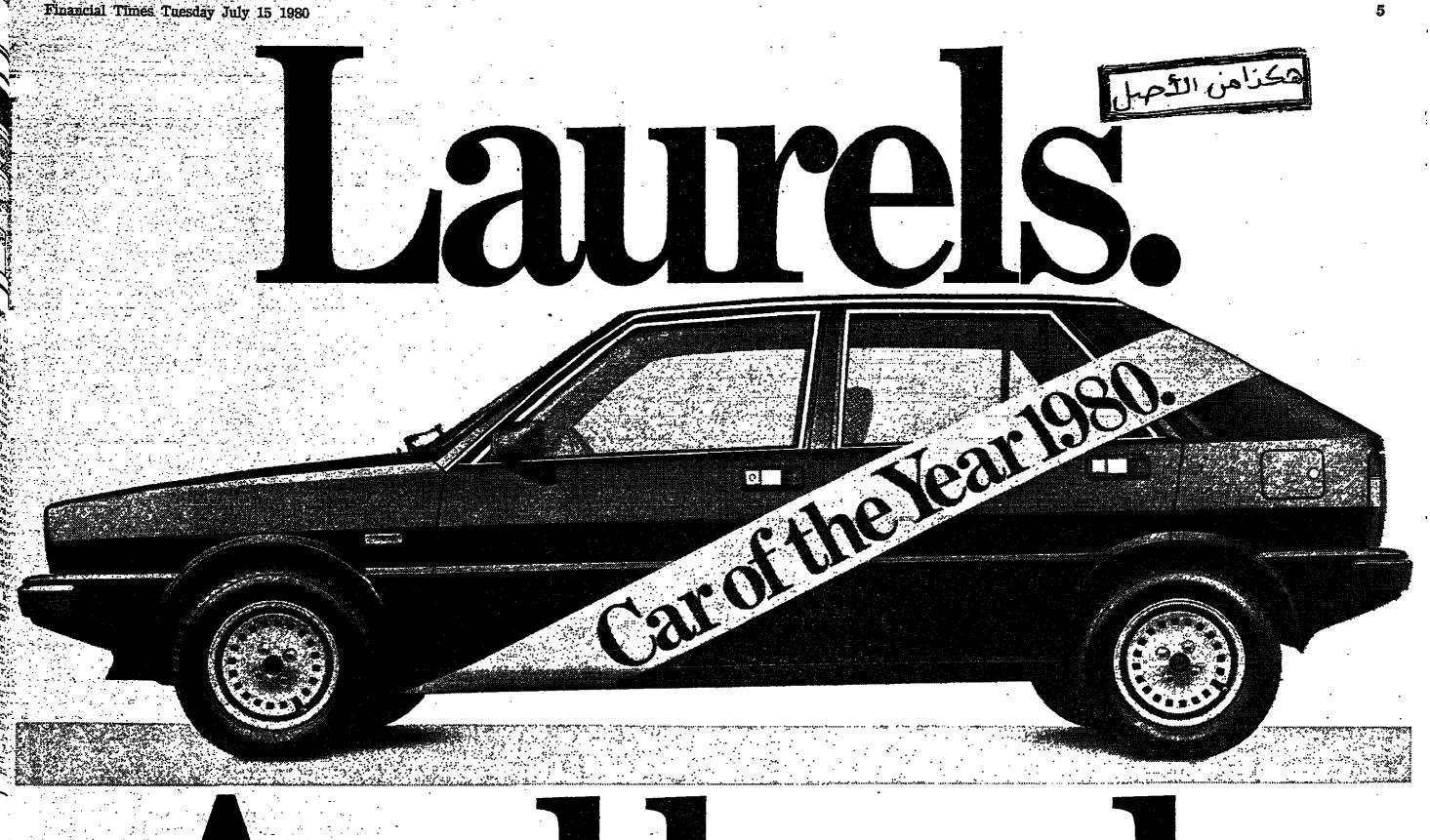
Prices start at \$25,000 per forty-acre tract, and easy credit terms are readily available.

For complete information, including pictures, maps and full details on our liberal money-back and exchange privileges, without obligation, please fill in the coupon or card and mail today.



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Obtain the Proper read it before sign has judged the m	tino anvihi	na. No	Feder:	al ane	iaw and

المكنامن التصل



And hardy Having won the car industry's most coveted laurels,

we could easily have rested on them.

After all, what better recommendation is there than being voted Car of the Year 1980 by 52 independent motoring journalists from 16 countries.

For us, though, it still wasn't quite enough.

You see, underneath those winning good looks the Delta is also very hardy.

So we've put together a unique after-care package that'll make sure you enjoy running your Delta as much as you will driving it.

It's called the Delta Deal, and this is what you get: Because the Delta is one of the easiest and quickest

cars to service, we're giving you 2 years free servicing.

Because it's also one of the most reliable cars, we're giving you 2 years free maintenance and parts.

And because we developed advanced new anti-corrosion techniques that were tested in both arctic and sunny climes, we're giving you a 6 year free Corrosion Prevention Warranty

For all this, and the Car of the Year 1980, you might

expect to pay a little over the odds.

In fact, the Lancia Delta costs only £4995.

For our full information pack, write to Lancia Marketing, Freepost, P.O. Box 36, Hayes, Middlesex.

Or call in at your local Lancia Dealer and pick up details of the deal when you test drive the car After you've taken a test drive you can pick up some-

thing else.

A free bottle of Champagne. To celebrate our laurels.

Lancia Delta: Car of the Year 1980.

Republican convention circus comes to town

gates and alternates, as many as most more intent on swooning 15,000 media persons, and a couple of thousand more groupies and hangers-on-have descended on the large riverside conference centre that is meant to help Detroit in its drive for "renaissance" from urban decay.

The delegates' programme is studded with social events ranging from the 7.55 am prayer breakfast that opened yesterday's happenings to pool parties, boating and riverfront wine and cheese festivals.

Those who wanted to pay \$1,000 for a meal on Sunday night could go to a "With one voice" unity dinner. The less opulent were provided with an open-air concert by an ageing Pat Boone (Frank Sinatra does not arrive until later in the week), followed by a magnificen: fireworks display over the Detroit River.

But with so little, suspense actually involved in the convention, apart from the selection of a running mate for Mr. Ronald Reagan, the whole convention is the quintessential media event. This creates its own inherent dilemma. Gavel-togavel coverage on two of the three mainr television networks (the third, ABC, has more limited, but still extensive air time) of predictable and preordained events could well send the nation's television watchers in search of alternative enter-

As the New York Times put it, the convention has been "comined as safe for cardiac nationts, unless they hold decidedly liberal opinions, or are conserratives excited by the triumph of one of their own "

Congriboless the three networks are here in regimental strength CPS, NBC and ABC have all sent up to 1,000 staff n Detroit. Each is conipped with a small fleet of colf cars to ferry comercs and anchoreveral million dollars in the or ordine. Each true to convention form, is holding parties for the luminaries and delegates.

The main lobby of the luturious Letroit Plaza Hotel is bright with klieg lights and

over the likes of Walter Cronkite and Barbara Walters than over the Republican faithful themselves. As the networks earnestly explain it. this is one of the rather rare occasions when television can fulfil a pub-lic service — "A great national civics lesson," as Mr. Cronkite, doyen of the anchormen, has to

Television is, indeed, often criticised for trivialising the American electoral process, con-centrating too much on the horse-race aspect of the Presidential contest and not enough on full discussion of the issues drama around to captivate the attention, they have little excuse this week for not addressing the issues in exhaustive detail.

Not everyone is happy with the arrangements. The delegates are spread over a radius of about 120 miles, from as far south as Toledo in Ohio to beyond Windsor, Ontario, in the north-east, meaning that many of them have to commute from

A pre-convention poll last week suggested that four out of five delegates would prefer to be meeting somewhere else. The city, founded by the French

THE 1980 Republican Con-

vention opened here yesterday with a blistering attack on

Senator Richard Lugar of Indiana, one of the main contenders for the party's

vice-presidential nomitation.

Reginald Dales and Jurek

As the party faithful began

a week of pomp and junketing

that will climax with the nomination of Ronald Reagan as presidential candidate.

Senator Lugar pounded out a

theme that is likely to domi-

nate both the convention and

the Republican campaign in

Martin report from Detroit.

President Jimmy



stacks some of the thousands of Ronald Reagan placards that will be waved during this week's Republican national convention in Detroit.



AMERICAN NEWS

large chunks of land from the Indians, is now battling, with some success, against a severe case of the social and economic decline that has hit so many of

the U.S.'s major cities. It remains, as its brochure proudly points out, the potato- in a city centre. Conceived as

President Carter, Senator Lugar said, had failed in the

worst way a President could

—he had increased the possi-bility of war. "Jimmy Carter's policies of retreat, defeatism

and intentional recession are

not merely unfortunate -

they are immoral," he said.

hand, understood that only

dramatic growth could pay

the bills for American re-

armament, and only effective

military power could guaran-

tee the resources and condi-

tions in which that growth could flourish, the Senator

sald. Mr. Reagan understood that

Mr. Reagan on the other

ded by Gov. Cass, who wheedled Plaza is said to be the world's it also points up the extent of highest hotel.

The Plaza is the centre-piece cities" image. of the massive Renaissance Center, which looks like a huge soldier-of-fortune. Antoine chip manufacturing capital of a spectacular bid to reverse civic activist group — although Laumet de Lamothe Cadillac in the world, not to mention auto-stagnation and decline, some of the media was, predictably, 1701, and subsequently expanmobiles, and the 747-feet tall the city's inhabitants feel that there in strength, including

major threat to peace, that

the threat did not begin with

the invasion of Afghanistan

nor end when the invasion

was forgotten, that the strains

on NATO, the risk of conflict

in the Gulf, the deadlock of the Camp David Middle East

peace process and the sub-

version of countless Third

World countries, were all traceable to "the expansionist militarism of the Soviets and

Underlining the Republican theme of the President's in-

competence, Senator Lugar

said Mr. Carter loved to run for office, but found himself

their proxies."

that decline by creating a "two

Efforts to show delegates the second city" at the weekend cluster of glass walled grain did not, however, prove out-silos, said to be the biggest-ever privately financed project dozen or so turned up for a tour organised by the Acorn

Tone set by attack on Carter's policies

that he is there." In less than four years he has "nearly

blown the prospects for lasting peace. " America has been held hostage because Jimmy Carter has been weak and ineffective. enemies have grown bolder as they taunt us. Our friends have been dismayed in their sadness for us," he

Senator Lugar is one of half-a-dozen contenders who have been lobbying hard to be Mr. Reagan's running mate. Though little known nationally, he is considered to be an up-and-coming figure three representatives of the BBC.

licans who are having fun. At nearby Flint, the university students have been holding a Ronald Reagan retrospective film festival. showing gems from the candidate's days as an actor in grade B movies.

Titles include "Bedtime with Bonzo "-Bonzo is a chimpanzee to which a psychologist, played by Reagan, tries to impart human intelligence — and Accidents Will Happen," in which we find the candidate as

a down-on-his-luck insurance claims assessor. The students nominated Bonzo as the only running mate who could understand the complexities of Mr. Reagan's policies.

Lines from the films that provoked howls of delight from the audience included one from an angry wife to the actor Reagan: "You are still the chump you always were." When Reagan finally punched the villain on the jaw, the auditorium rang to happy shouts of "Nuke him, nuke him."

Detroit reckons that the convention will bring as much as \$35m to the city's businesses. A fair amount of this will inevitably be spent on food and drink -though, for some reason, the city decided not to extend the present 2 am closing time, and the Republicans are allowing no liquor to be sold at the convention site itself. (Across the river in Widsor, the Canadians have a perhaps erroneous idea of the staying power of Republican delegates, and are keping the bars open to 3.30 am).

The prize for the worst puns ever recorded in the history of American menus almost certainly goes to one of the restaurants in the Plaza, whose fare is presented under the following headlines: "Ghoul lush," "for Pita's Sake," "Lettuce Entertain-You," and, for drink, "Wine Not?" If that were not enough to turn the stomach, the bar inside the restaurant slowly revolves in the middle of a small moat, provoking a queasy feel-ing before the drinks have even

Reagan adviser linked to fugitive financier

BY JUREK MARTIN AND REGINALD DALE IN DETROIT

Vesco, the American financier for having set up the meeting who is a fugitive from justice. Mr. Allen also conceded that has reached into Mr. Ronald he was paid \$60,000 for a six-Reagan's inner circle with revelations of close connections between Mr. Vesco and Mr. Richard Allen, the Republican Tybes Naves et al. candidate's chief foreign policy

adviser. Several U.S. publications, including the Wall Street Journal, the New York Times and Mother Jones, the radical California magazine, reported yesterday that Mr. Allen had set up a meeting in 1972 between Mr. Vesco's lawyer and

the meeting but said he had no

THE LONG arm of Mr. Robert he had apologised to Mr. Case month stint as a consultant to White House staff.

Administration records show that Mr. Allen continued to appear on the White House hooks as a consultant on special projects" until the summer of 1973, but he denied Government during that period

Both the Wall Street Journal man of the Securities and Exchange Commission and now staff Mr. Allen travelled to running Mr. Reagan's came Europe in Mr. Vesco's private paign. At the time the SEC aircraft and that later in man are investigating charges. was investigating charges that he had written to Dr. Heavy Mr. Vesco had defrauded In-Kissinger, then Services of vestors Overseas Services Ltd. State, on Mr. Vesco's behalf. Mr. Allen, freely tipped to become National Security pendence by the Azyres, where Adviser in any Reagan administration, has admitted arranging shore financial centre establishment. Dendence for the Azores, where

Mr. Allen told the Wall Street knowledge of Mr. Vesco's prob-lems with the SEC. The agency Journal he may have made some shortly, afterwards filed suit misjudiments in his dealing against Mr. Vesco, the pursuit with Mr. Vesco but said. against Mr. Vesco, the pursuit with Mr. Vesco but said. If of which prompted his flight didn't know who Vesco was, I from the U.S. first to Central didn't know very much and I America and now to the take responsibility for not know Bahamas. Mr. Allen added that tug very much.

Nader group criticises U.S. nuclear safety

BY DAVID BUCHAN IN WASHINGTON

MORE THAN 2,000 operating problems—human and mechan mistakes, mechanical failures, technical violations and design defects were reported to the Government last year by the U.S's private nuclear industry, according to a list compiled by an energy group affiliated to Mr., and one Crystal River reactor in Raiph Nader, the consumer Florida, and North Carolina's advocate. But officials at the Nuclear

Regulatory Commission, which analyses such reports, rejected the implication of Critical Mass, the Nadar energy group, that the industry was headed for another serious accident, such krypton gas into the atmos-as happened at Three Mile phere from the plant. Island in March 1979.

the NRC said. gas released, and many local However, the Nader study residents who temporarily left.

said the number of reported their homes, have now returned.

cal errors—averaged 34 for each of the country's 68 operating nuclear power reactors. Highest on this list were the North Anna plants in Virginia

the Besse Davis plantin Ohio

two Brunswick reactors. Meanwhile, a necessary first step to eventually cleaning up the radioactive contaminated Three Mile Island plant has now been completed, as operators last week finished releasing

The NRC said residents sur-"What counts is the nature of rounding the plant had been what happened and not exposed to only 4 per cent of necessarily how many times it the officially permissible level happened." a senior official of of radiation from the krypton

g.

Rand Mines Limited

A Member of the Barlow Rand Group

Carter by

Gold Mining and Colliery Company Reports for the Quarter ended 30th June, 1980

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

HARMONY GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R13 442 325 IN 26 884 650 SEREPORT OF THE DIRECTORS FOR THE QUARTE	ARES OF SO CENTS	EPCH E, 1980.
OPERATING RESULTS	Quarter	Quarter
-ALL PRODUCTS	ended 30.6.1980	ended 0391.3.19
Ore milled it:	1 698 000 8 085	1 795 000 7 688
—vield (g.t):	4.26	4.28
Uranium—pulp treated (t):	1 346 999	1 237 000
—axide produced (kg):	115 479 0.086	113 489 0.092
	21 036	19 933
Suichuric Acid produced (t):	32 809 .	25 889
Total Revenue (R't milled):	64.18	74.3B
Total Cos's (Rit milled):	30.73	29.53
Total Profit (R't milled:	33.45	44.85
FINANCIAL RESULTS—All products		
TOTALS IN 000's RevenueGold. Silver and Osmiridium	R117 725	R129 124
-Uranium. Pyrite and Sulphuric Acid	R10 084	R4 385
= . 1	R121 809	R133 509
Total revenue	R58 318	R53 012
COSIS		
'Vortring profit	. RF3 491	R80 497
Sundry regenue (net)	R1 989	R1 825
Profit before taxation and State's share of		
profit	. R65 480	R82 322
Taxation and State's share of profit	R33 E53	R44 890
Profit after taxation and State's share of profit	R31 827	R37 432
Capital expenditure	R7 019	R6 322
Dividend declared	Ř—	R44 360
Loan levy treversal of provision:	R—	· (R3 244)
CADITAL FYPENDIT	1107	

There are commitments for capital expenditure to R9 808 000. R855 000 for the new uranium plant. Capital expenditure for the financial's 30th June. 1981 is provisionally estimated at R25 000 000 and will be reliable detail in the annual financial statements.

11th July, 1980.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 000 000 IN 24 000 000 SHARES OF 25c EACH PEPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH . OPERATING RESULTS ure missed tu:
Gold produced (kg):
Yield (g):
Revenue : Fit milledi:
Cost : R.t. milledi: ripe produced (Rg):

ield (kg/t):

INANCIAL RESULTS (000's)

forking Profer Code Profit before taxation and State's share of R63 955 R37 479 Taxation and State's share of profit Profit after taxation and State's share of profit R20 722 R26 486 Capital expenditure
Dividend declared
Loan levy (reversal of provision) R3 531 (R2 836)

 Owidend No. 69 of 185 cants per share was declared on 9th June, 1980 payable on or about 1st August, 1980 to shareholders registered on 28th June, 1980. CAPITAL EXPENDITURE

mitments for capital expenditure amounting to R375000. Capital o financial year ending 30th June, 1981 is provisionally estimates will be reported on in more detail in the annual financial statements TRIBUTE AGREEMENT WITH WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

tribute agreement between West Briefonbein Gold Mining Company, concluded on 9th November. 1979, royalities amount to the company for the quarter ended 30th June. 1960.

D. T. WATT (Chaleman)

DURBAN ROODEPOORT DEEP, LIMITED

ISSUED CAPITAL: R2 325 000 IN SHARES	OF R1.00 EACH	4	
REPORT OF THE DIRECTORS FOR THE	QUARTER END	ED 30TH JUNE.	1980.
OPERATING RESULTS	Quarter	Quarter	6 month
-	ended	ended	ended
Gold	30.6.1920	31.3.1980	30.6.1920
Ore milled its:	548 000	484 000	1 032 000
Gold produced Tkg:	1 299.0	1 695 4	3 594.4
Yield tgiti	. 3.47	3.50	3.48
Revenue (R/t milled):	48.47	57.90	52.59
Cost (Re milledi:	29.72	30.25	30.25
Profit (R;t milled):	18.75	27.05	22.64
Revenue (ROGO's1:	26 SF3	28 024	54 56
Cast (R000's1:	16 289	14 933	31 222
Profit (ROOD'SI:	10 274	13 091	23 365
Pyrite			
Pyri e concentrates sold (tr	7 805	3 702	10 707
FINANCIAL RESULTS (000's)			
Working Profit—Gold	R10 274 .	R13 091	R23 365
Working Profit - Pyrite	R91	R40	R131
Sundry revenue (net):	R343	R207	· R550
			
Profit before taxation	R10 708	R13 336	R24 046
Taxation	R4 851	R6 894	R11 745
Profit after taxation	RS 857	R6 444	R12 301
Capital expenditure	R1 295	R612	R1 907
Dividend declared	RS 720	R—	R3 770
State loan repayment	R.	R2 296	R2 296
DIY	IDEND		
Br. 4 4 No. 467 of 1550		Cab 1 1050	

D. T. WATT (Chairman) N. A. HONNET

EAST RAND PROPRIETARY MINES. LIMITED ISSUED CAPITAL: R3 950 000 IN SHARES OF R1 00 EACH

REPOR' OF THE DIRECTORS FOR THE	QUARTER END	ED 30TH JUNE,	1 9 80.
OPERATING RESULTS	Quarter	Quarter .	6 months 1
-14	ended	ended	ended
	30.6.1980	31,3,1980	30.6.798u
Ore milled it):	588 000	570 000	1 158 000
Gold produced (kg)	2 984.8	2 952.0	5 936.6
Yield (g ti;	5.08	5.18	S.13
Revenue R't milled:	69.54	91.74	80 47
Cost (R/t milled):	43.82	41.20	A2.53
Profit (R/t milled):	25.72		37 94
	40 788	52 292	93 180
Revenue (RODO's/:			49 251
Cost (ROOO's):	25 767	23 404 28 808	43 929
Profit (R000's):	15 121	20 008	43 343
FINANCIAL RESULTS (000's)		778 766	847.638
Working profit—Gold	R15 121	R28 808	R43 929
Sundry revenue (net::	R559	R310	- R869
Profit before (axation and State's	_		
share of profit	R15 680	R29 118	R44 798
Taxation and State's share of profit	. R4 996	Ř15 147	R20 143
		 .	
Profit after taxation and State's share			!
of profit	R10 584	R13 971	R24 655
		R2 153	
Capital expenditure	R4 873		R7 826
Dividend declared	R6 930.	R '	R6 930
State loan repayment	R	R4 154	R4 154
niv	IDEND		

Interim dividend No. 117 of 175 cents per share was declared on 9th June. 1980, pavable on or about 1st August. 1980 to members resistered on 28th June. 1980 and to persons presenting the appropriate share warrant to bearer coupon. CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R2 650 000. The estimated total capital expenditure in the remainder of the current shancist year is R12 million.

11th July. 1980.

WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R4 090 813 IN SHARES OF 45 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED

1980 ON THE OPERATIONS OF THE SUBSIDIARY	COMPANY AND ITS	MHOLLY-OWN
OPERATING RESULTS	Quarter ended	Quar
Tons sold—metric Working Profit—cents per ton FINANCIAL RESULTS Working profit Net railway revenue Net sundry revenue	30.6.1980 525 182 303.9 R000's R1 597 R501 R162	31.3.19 446 S 354 R00 R1 6 R
PROFIT BEFORE TAXATION	R2 250 R964	R1 6
PROFIT AFTER TAXATION	R1 296	R1 0
Capital expenditure Drilling and exploration Dividend declared	R350 R15 R818	R6 R
CAPITAL EX	PENDITURE	-

11th July, 1980.

WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R13 816 852 IN ORDINARY SHARES OF R2 EACH 4PORT OF THE DIRECTORS FOR THE QUARTER ENDED SOTH JUNE, 1980 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES

OPERATING RESULTS	Quarter	Quarter
Tons sold—metric Working profit—cents per ton FINANCIAL RESULTS Working profit Not southy revenue	ended · 30.6.1980 2 355 027 579.7 R000's R13 652 R1 424	91.3.1980 2 100 002 592.9 R000's R12 450 R163
PROFIT BEFORE TAXATION	R15 076 R3 449	R12 613 R3 731
PROFIT AFTER TAXATION Capital expenditure—gross	R11 627	R8 862
Exploration expenditure—included	RS 299 R1 377	R1 324
in net sundry revenue	R90 R—	R111 R6 872
CAPITAL EXP	ENDITURE	- •
There are commitments for capital	sumandhura net of Fa	

'th July. 1960,

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents Tharter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

CHARTER CONSOLIDATED LIMITED NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifteenth annual get meeting of members of Charter Consolidated Limited will be held at Winchester House, 100-Old Broad Street, London EC2N IBU. on Thursday 7 August 1980 at 12 noon for the following purposes: To consider the accounts and the report of the directors for the year to 31 March 1980.

To declare a final dividend.

To reappoint as directors Dr. A. Spinks, Mr. M. B. Hofmeyr, Mr. G. W. H. Relly, and Mr. P. C. D. Burnell.

To reappoint Coopers & Lybrand and Deloitte Haskins & Sells as joint auditors and authorize the board to fix their remuneration. 5. To consider the following resolution which will be proposed

as an ordinary resolution: That the authorized share capital of the company be and is hereby increased from £2,681,712.52 to £2,700,000 divided into 135,000,000 shares of 2p each by the creation of 914,374 shares of 2p each."

To consider the following resolution which will be proposed as a special resolution:

That the articles of association of the company he and are hereby amended by the deletion of the first sentence

of article 85(1) and the substitution therefor of the following sentence: Each of the Directors (other than a Director holding any salaried office or employment under the Company) shall be entitled to remuneration at the rate of £4,000

per annum or otherwise at a rate to be determined by the Directors up to a maximum of £6.000 per annum or such other amount as the Company may by Ordinary Resolution determine.

A member entitled to accend and vote at the meeting is endited. to appoint one or more proxies to attend and, on a poll, to vete instead of him. A proxy need not be a member of the company. By order of the nourd D. S. BOOTH-

40 Holborn Viaduce London ECIP IA 10 July 1980 NOTES

Holders of share warrants to bearer who wish to attend in person or by proxy or to vote at the meeting must comply with the relevant conditions governing share warrants to bearer.

There are no directors' service contracts required by The Stock Exchange to be made available for inspection at the meeting Copies of the Annual Report are available from 40 Holborn Viaduct, ECIP IAJ.

COMPANY ANNOUNCEMENT



East Rand Proprietary Mines, Limited

(Incorporated in the Republic of South Africa)

A member of the Barlow Rand Group

UNDERGROUND FIRE

The board of directors of East Rand Proprietary Mines. Limited antiounce that an underground fire was discovered at 05h30 on 13th July, 1980. The fire is located between the 77 and 78 levels at H shaft.

The fire was finally sealed at 07h00 on 14th July, 1986. As a result of this fire, a loss of production of approximately, 500 tons of one per day for a period of about 6 weeks is anticipated.

There were no casualties and operations in the remainder of the mine were restored to normal when the seals were finally completed

14th July, 1980

المكالنمانذي

on subsidised

in London By Carla Rapoport in New York

DU PONT has issued a writ in London which alleges that Teijin, a Japanese fibre producer, has infringed on the company's patent for texturing polyester yarn. The action is the latest in a series of patent suits the company has

initiated around the world during the past year. Du Pont alleges that Teijin has violated its patent in the UK by offering textured polyester yarn, produced in Japan, to UK markets. While declining to com-

ment on its shipments of the product to the UK, the com-pany says that the world-wide sales of textured polyester yarn this year will be worth more than £1bn.
A similar suit had been taken against ICI last year

and is still pending. On Friday, Du Pont brought suit against Toyobo, another Japanese fibre producer, for alleged infringements of its patent in Japan for Spandex, which it sells under the brand

name of Lycra. The company is awaiting results on three patent cases for its textured polyester yarn in West Germany, the Nether-lands and Norway where other fibre companies have contested Dn Pont's patent. Patent offices in the Netherlands and Norway decided in the company's favour but the cases have been appealed. The West German case is yet

to be resolved. Du Pont has also taken out suits against three sub-sidiaries of the Akzo group for alleged infringement of its patent for Kevlar, its trademark for Aramid, a type

of polyaminde The suits were taken out in the UK against Enka NV, the Dutch subsidiary of Akzo, and Enka AG, the West German spin off. In France, the company has taken action against Enka SA, the French subsidiary.

The company says these actions on patent infringe-ment are not part of a campaign, but that it is merely looking closely at its patent positions world-wide.

ECGD backs Bahrain loan

Financial Times Reporter THE Export Credits Guaran-tee Department (ECGD) has guaranteed the repayment and funding of a \$22m (£9.6m) project line of credit which Midland Bank has made available to Aluminium Bahrain (ALBA).

The loan is to help finance contracts awarded by ALBA to UK exporters for the supply of equipment to xpand a Bahrain smelter plant. The main contract to be financed under the loan has been placed with John Engineering Gas

Indonesia LNG seen as top export

BY RICHARD COWPER IN JAKARTA

star, ultimately overtaking oil ruptcy with debts of over \$10bn. as the country's most important. The report, which deals with hydrocarbon resource in terms the principal oil and LNG exof both feedstock for domestic industry and export earnings. Persian Gulf, says that a according to a U.S. Embassy report on the country's petroleum sector.

and Indonesia, already the world's second largest LNG tonnes a year by 1984-85.

At the same time, says the report, the mid-term outlook for Indonesia's petroleum sector is the brightest since 1975, when in 1977 to 1.56m b/d for the the country's state-owned oil first half of this year there are

stream in 1980-81 to stabilise output and perhaps increase it. Although crude oil exports in porting countries east of the

strongly-based acceleration in exploration activity in the last two years now provides the LNG revenues topped the hope that oil production may \$1bn (£430m) mark last year soon start to increase again reversing over two years of decline. It forecast that gross producer, is currently planning foreign exchange earnings from to at least double present pro-duction of over 7.7m metric will rise from \$10.8bn in 1979-1980 to \$16bn next year—an increase of over 48 per cent.

Although Indonesia's oil production declined from 1.7m b/d

LIQUEFIED natural gas could company, Pertamina, brought now indications that sufficient Japanese already buy all of become Indonesia's new export the nation to the brink of bank new production may come on Indonesia's LNG and are looking to take as much of the planned production increase as

Îndonesia will allow. 1979 totalled around 410m bar-A member of OPEC since rels, a 12 per cent decline from 1962. Indonesia did not partici-1978 levels, the large crude price pate in the 1973-74 oil embargo increases of last year have bred and is generally regarded to be an increase in gross foreign a moderate within the organisaexchange earnings from both oil and LNG, which together rose from \$6.9bn in 1978-79 to \$10.8bn in 1979-80.

The one cloud on the horizon, however, says the re-port is that Indonesia's growing While Japan and the U.S. remain the main customers for domestic oil consumption could theoretically take all Indonesian crude, Pertaminawhich is responsible for around Indonesia's oil production some 40 per cent of total exports—is time in the 1990s. With domestic directing its own exports demand at around 400,000 p/d increasingly to the Japanese, a and expected to rise at around trend which is expected to con- 10 per cent a year the long-term tinue into the future. At the outlook for oil exports, unlike same time the energy-hungry that of LNG, looks gloomy.

Canada plan U.S. abandons duties to limit takeovers

THE CANADIAN Government plans to provide loan guarantees up to a value of C\$100m (£37m) to assist Canadian companies in fighting foreign takeovers.

Mr. Herts Gray, Minister of Industry, Trade and Commerce, said the planned mechanism would also be used to help Canadian corporations buy foreign-

controlled companies. Gray said the loan guarantees would be part of his programme to support Ottawa's Foreign Investment Review Agency (FIRA).

Canadian Government recently approved C\$200m of loan guarantees to help Chrysler Canada cope with its financial difficulties. Mr. Gray's proposed new guarantees would be part of egislation he is preparing to introduce into Parliament this autumn. He hopes the changes will be in effect next

Another change would require public notice of all large take-over bids by foreign-controlled companies. This would provide an oppor-

Italian steel imports BY DAYID BUCHAN IN WASHINGTON THE U.S. International Trade whether or not the Europeans Commission has decided to drop have "dumped"-sold below contervailing duties imposed on home market price or produc-

certain Italian steel imports, tion cost—steel in the U.S. found to be subsidised follow— When countervailing du When countervailing duties ing a complaint filed by U.S. were imposed on Italian steel products, including transmission Steel some 10 years ago.
The decision is one of the first towers for electric cables, the practical effects of the new 1980 U.S. did not need to prove its domestic industry was being U.S. trade law, in which the U.S. joined its partner countries in the GATT negotiations by

hurt by these imports. But following this year's change in U.S. trade law, Italy dustry must show it has been requested a formal finding that injured by subsidised imports, U.S. industry was being before countervailing duties can damaged, if the duties were to be continued. With enough on its legal plate in the present anti-dumping suit, U.S. Steel, the country's largest steelmaker, decided not to argue the injury issue with the Italians. Instead, it recommended the ITC, a quasi independent panel that rules on trade issues, to ment agencies to determine drop the duties,

Pasargad in Algeria deal

PASARGAD International, a the equipment will be manu-London-based company that factured in Britain. manufactures school laboratory The company declined to equipment, has won a contract reveal the value of the sales tunity for interested to supply equipment to some contract but Mr. Kamran Canadian companies to make 100 schools in Algeria. The Irani, Pasargad's managing competing bids. Take-overs schools are located in Algiers, director, said the deal was total about 400 a year.

Oran and Constantine, and all worth more than £100,000.

requiring that a domestic in-

But the move has no relation

to the anti-dumping suit brought by U.S. Steel against steel-

makers from seven European

countries this spring. Italian companies are among those cited in the case, which is still

being examined by U.S. Govern-

be imposed.

Nott urges more UK investment in Nigeria

BY MAURICE SAMUELSON

ting her position as Nigeria's nesses invest directly in local foremost trading partner "slip manufacturinug industry. The away" unless British businessmen are more aggressive and step up direct investments there, regardless of political risk, Mr. John Nott, Trade Secretary, said in London vesterday.

Japanese and Germans were already very active in this sphere, and Britain should not let its position slip away, he said.

Mr. Nott issued his result in this sphere, and Britain should not let its position slip away, he said. yesterday.

BRITAIN IS in danger of let- the wish to see British busi-Japanese and Germans were

Reporting on a week's even though British exports to Enugu.

Reporting on a week's even though British exports to Enugu.

official visit to Nigeria, he said Nigeria this year are set to The question of Nigeria's satisfied that this boycott had that, at every meeting with exceed fibn, the level they had nationalisation of British not been implemented since the Nigerians, he had been told of reached before last year's Petroleum's assets did not loom end of last year.

During his visit he was personally affected by the foreign competition Britain faces: one reason why President Shagari was unable to meet him was aid. that he was busy opening a Mr. Nott issued his warning Mercedes assembly plant at

economic crisis in Nigeria, when large in his talks, Mr. Nott they dropped to less than added. However, he had £640m. gathered that Nigeria wished to settle the issue, even though it would not alter its basic posi-

> On the boycott of British businesses in protest at the handling of the Rhodesia

Fall in U.S. newsprint-

THE GROWING recession in North America is starting to hit the newsprint industry. U.S. consumption in May has fallen for the second month running and U.S. inventories are 25 per cent above their level of this

time last year and are at their

demand

By William Hall

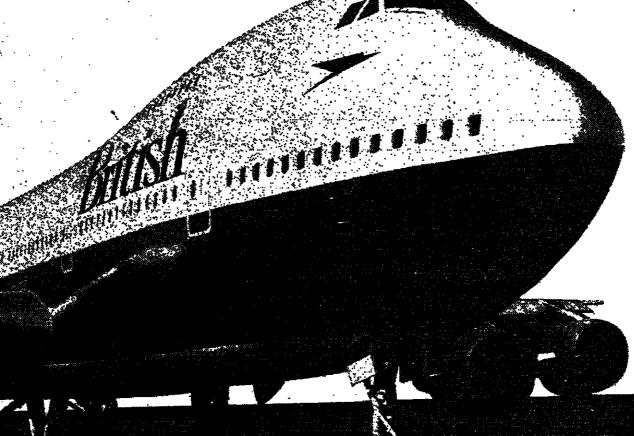
highest in 19 months. Part of the reason for the sharp rise in inventories reflects unease about strikes at Canadian mills which supply the bulk of the U.S. market. However, consumption in the U.S., which has been steadily rising since 1975, has also started to decline.

According to the latest statistics from the Capadian Pulp and Paper Association, U.S. newsprint consumption (equivalent to two-fifths of total world demand) fell by 2.7 per cent to 862,000 tonnes in May. This follows a 4.5 per cent drop in the previous month. U.S. consumers now have 44 days supply of newsprint in stock compared with a low point of

30 days, last October. However, output from Cana-dian mills rose by 6 per cent-in May and for the first months of the year is up by 5.3 per cent. ning at 100 per cent capacity in an effort to build up stocks ahead of the strikes.

British Airways announce the departure of their new 747 service to Jakarta.

Passengers may proceed directly to the gateway to paradise Vednesday at 14.45"



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India plan to double shipping fleet size BY DAVID DODWELL

closed this while in the UK to programme

INDIA PLANS to double its Mr. Sharma visited the shipping fleet over the aext five years, adding around 9m dwt yard over the weekend to

Britain's aid programme. He said his ministry plans to spend said his ministry plans to spend shipping capacity.

During the country's sixth five-year plan period, from five-year plan period, from public sector shipping enter-1980-85 the Government plans prise, owns 52 per cent of the to spend a further \$2.650n, in Indian merchant fleet, a total to spend a further \$2.650n, in Indian merchant fleet, a total of 144 spins at 48m dwt. As which only one now remains to

to spend a further \$2.65bn, increasing the present fleet of
375 ships from a capacity of
9m dwt to 18m dwt. India
already has the world's 12th
largest merchant fleet.

Indian merchant fleet, a total
of 144 ships at 4.9m dwt. As
part of the country's fleet expansion programme, it intends
to increase its capacity to 10m
dwt by 1985.

to its capacity at an estimated launch two cargo vessels bought cost of \$3bn (£1,28bn). cost of \$35n (£1,285n). by the Shipping Corporation of
Mr. A. P. Sharma, India's
recently-appointed Shipping
and Transport Minister, dislaunch two ships bought by the The total contract involved indian : Government under six 16,500 dwt cargo vessels of

Austria, China join in marine crane deal

BY COLINA MACDOUGALL

of Austria has signed a contract tion. with the China Corporation of Chinese Xinhua news agency, and spare parts for crane pro-Value of the contract was not duction at preferential prices.

Peking's strategy to bring tions are right, the Nanjing Western products and know Marine Auxiliary Works may how to China while balancing be turned into a joint equity trade and avoiding heavy repay- venture. If not, joint production ments. It follows the £255m will continue. barter deal for trucks and machinery between Volvo and the South China province of Renault Industries Vehicules of

marine cranes will be jointly the Vice-Premier. Mr. Gu is produced, starting towards the Minister in Charge of the Com-end of the year. The work will missions for Capital Construcbe carried out at the Nanjing Marine Auxiliary Works, which Foreign Trade.

LIEBHERR-WERK NENZING is run by the Chinese Corpora

Beginning next year, part of Shipbuilding Industry for the the output will be sold back to joint production of marine the plant in Austria, which will cranes, according to the official provide technical know-how

When the contract expires The deal corresponds with after four years, if the condi-

In talks over another possible deal, a delegation from the Guangdong announced last France, at present in China, week. In the Liebherr-Werk and technical co-operation at Nenzing deal, five kinds of the weekend with Mr. Gu Mu. tion, Foreign Investments, and

Court limits Gaming Board powers

licensing proceedings had been completed.

The judge said the Board

was not disputing that

Playboy was fit to operate the casino. But, it argued

had been the sort of trans-action the courts should

discourage. It enabled the

former owners to escape the

loss that would otherwise

If Playboy had bought a

casino company with no casino, it had done so with its

eyes open, said the Board.
The Board also contended that if it issued a certificate at this stage it would give the impression it condoned con-

have resulted from

casino's closure.

No controls on import of Japanese cars

BY JOHN GRIFFITHS

Japanese cars tothe UK were tion in August. Last July, for ruled out in the Commons yes example, sales were only 52,232, terday by Mr. John Nott, Trade

At the same time, it became was a record with 1.7m units clear that Japanese car sales so far this month are running well above the "prudent" market- share this month will not neces-ing level of about 11 per cent sarily have a major impact on agreed between the Society of Motor Manufacturers and Nevertheless, the Traders and its Japanese room for manoeuvre counterpart JAMA.

Japanese sales in July's first 11-days were just under 18 per cent, with about 11 per cent taken by Datsun alone.

a very poor sales month, with normal market shares at the cent market share for the year many buyers postponing pur-start of the year, but the level overall.

CONTROLS on the import of chases until the "W" registrathe lowest for 10 years despite the fact that 1979 as a whole

> A high Japanese percentage share this month will not necesthe figures for the full year. Japanese room for manoeuvre within the prudent " level is decreasing.

For the first half of the year

has been steadily climbing, and was about 121 per cent.

Meanwhile BL, after its wors

ever sales month in Junewith under 14 per cent of the market—has climbed back to 17.7 per cent in the first 11 days the start of the month of the

Marina replacement, the Ital. Ford's share at the moment i only 22 per cent-13 per cent down on last month. But this is accounted for by the end of the Japanese kept within the a dealer incentive scheme, and 11 per cent level. Their 10.6 start-of-month distortions and per cent sales share was Ford will almost certainly finish However, July is traditionally achieved because of lower than the month close to their 33 per

Chloride to cut 500 jobs after sharp fall in profit

BY RHYS DAVID

to cut the number of jobs at market, its Clifton. Greater Manchester. Clifton plant will concentrate plant by 500 in the next 18

be lost in the next four years, for a wider range of vehicles. bringing the total employed to • A slump in the sales domestic about 1.600. Last December. some 300 jobs were lost at Hotpoint, a subsidiary of the

The group, which announced a fall in profits from £29m to £18.7m for the year to the end of March, is bringing forward its planned reorganisation of battery production at its two main sites — Manchester and

Production of automotive batteries at Clifton will be transferred to Dagenham, and after modernisation, the Manchester plant will concentrate on motive-power batteries for forklift trucks and milk floats, standby power and defence

Chloride's decision to advance its reorganisation — originally planed for the mid-1980s—is another result of UK vehicle manufacturers' falling share of

The motive-power battery narket, upon which the in future, is also depressed but because of falling Chloride is hopeful that, with emand. new developments, batteries A further 400 jobs will also will provide a source of power electric appliances has forced General Electric Company, to make 150 of its 1.500 Peter-

borough workers redundant. Workers at the Peterborough factory, which makes refrigerators, freezers and tumble driers, are already on a threeday week as are most of Hotpoint's other plants at Llandudno, North Wales and

The domestic appliance industry has been hit by falling sales since the beginning of the year. At the end of May, the Association of Manufacturers of Domestic Electrical Appliances reported that March deliveries and that overall deliveries were 15 per cent down for the first quarter of this year.

Other manufacturers have The company said the demand also been hit. Thorn Domestic for automotive batteries Appliances has introduced collapsed during what are nor- short-time working and Burco mally peak months in the UK Dean recently made 300 redun-

Comprehensives match the grammar schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A REPORT published yesterday by the National Children's than half of the country's Bureau says that comprehensive secondary school pupils were school children's reading and mathematics standards at the age of 16 are neither worse nor cent. better than those of 16-year-olds from the grammar and secondary modern schools in the

survey made in 1974 of 16,000 of leaving at 16. Another sug-children whose progress has gestion is that comprehensives been studied by the bureau since they were born, all in the same week in 1958.

The more academically able pupils at comprehensive schools are as literate and numerate as able, however, do no better at pupils at secondary moderns.

compares with 27 per cent for secondary moderns, and 26 per cent for comprehensives. The bureau points out that at education committees

at comprehensives. The proportion has since risen to 80 per The report suggests that broader provision for sixthform studies in comprehensives

the time of the survey fewer

may encourage more children to continue in education instead should encourage working-class children to seek clerical jobs. Truancy is higher among the 16-year-olds at comprehensives than among those at grammar or secondary modern schools,

their counterparts at selective although there is little to sugschools. The less academically gest that this is caused by dislike of school. comprehensives than equivalent • Dorset education committee yesterday recommended an end

In 1974 53 per cent of to the supply of meals for grammar school children were primary school children. The from middle-class families. This proposal, affecting 180 schools, will go before the full council on July 24. The move is likely to be followed by other local

Institutional investors back £8m film group

By Arthur Sandles AN £8m film financing partner-ship has been established by Pearson Longman and Electra from several institutions, includics National Coal Board Pension Funds. The partnership, Goldcrest Films International, hopes to invest in up to eight films a

The move comes soon after the Rank Organisation pulled out of film-making after heavy losses. However, the new group sees a profitable future, not only in making films for the cinema, but also in pay-television pro-ductions and such developments as Britain's fourth television

The partnership brings substantial expansion to a joint operation between Pearson Longman and Electra Finance Company in Goldcrest Films. which itself sprang from the cooperation of Pearson Longman, ectra House, Lazards and Mr. J. D. Eberts is financing a film

of Watership Down. Pearson Longman and Electra remain the main investors in the new group, having put up a little more than half of the commitment. Pearson Longman itself will have around 40 per

The new group will avoid putting more than 20 per cent of its capital into any one production, and will not back any single film to a level beyond 50 per cent. However, most of the investment is likely to be in alliance with an American of GFI and IFI in any picture could be substantial.

IFI itself has equity capital of some \$10m and the power to borrow a further \$30m from the U.S. Small Business Administration. The combined financial \$60m, is considerable.

In addition to the National Coal Board Pension Funds. other partners will include investment trusts managed by Murray Johnstone, J. Henry Schroder Wagg and Noble Grossart.

At the moment, IFI and GFI have commitments for preproduction or production financing of 17 pictures. The two groups have an agreement whereby each has the right to investment in any of the other's productions. Both are involved in the filming of Richard Adams' book, the Plague Dogs, with a budget of \$4.7m. Mr. Lee said last night that the institutional investors accepted that film-making was a

delay in dealing with Play-boy's application for a boy's application for a consent certificate for gaming casino's licence Playboy had bought the casino company in October He ruled that the Board last year and applied for a consent certificate. The must consider the application without waiting for the out-Board refused to deal with **Insurance brokers**

to Fisher report

may suggest change

THE Gaming Board's powers

Mr. Justice Mustill held that the Gaming Act did not give the Board a general

power to control the gaming industry's conduct but only

The judge said the Board's concern with benefit derived

by the previous owners of

the former Victoria Sporting

Club casino, from its sale to the Playboy Club of London,

did not justify the Board's

judgment yesterday.

BY JOHN MOORE

LLOYD'S INSURANCE brokers Wrightson, J. H. Minet and may recommend to its 16-strong ruling committee that a pro-posal in Sir Henry Fisher's report into self-regulation at Lloyd's should be substantially

Sir Henry and a working party recammended that over five years the shareholding links hetween Lloyd's insurance brokers and managing agencies, the groups which look after the affairs of underwriting syndicates, should be terminated. They felt it would affairs avoid abuses because of conflicts

of interest. The suggestion is unpopular within the market because underwriting activities provide significant part of many

brokers' revenue. Insurance Lloyd's Brokers's Committee, part of the British Insurance Brokers Association, has formed a subcommittee to study all the Fisher recommendations.

The sub-committee, chaired consists of representatives from Sedgwick Group, the UK's Faber, Hartley Cooper, public" Alexander Howden, Stewart Lloyd's.

Hogg Robinson. It has held a preliminary meeting and will be reporting back to the Lloyd's Insurance Brokers Committee on July 24.

against cancellation of the existing gaming licence and the three-year disqualification

Playboy needs a certificate from the Board before it can

apply for a gaming licence

The judge said the pre-

mises had been raided by the

police in December, 1978. Criminal charges were pend-

ing against the then owners

and there was a police

application to cancel the

a casino.

for the casino.

Many brokers feel that a total divestment of broking and underwriting interests is not necessary to avoid the potential areas of conflicting interests. They say separation can be achieved internally rather than by complete financial separa-

A minority report on this issue, contained within the Fisher report. is being studied by brokers. This minority view proposes measures to reduce the likelihood of interference by controlling brokers in the affairs of managing agencies and improved investigatory and disciplinary procedures for the detection and punishment of abuses. This report does not recommend complete divest-

But. six of the seven-man by Mr. Douglas Lyon, of Jardine Fisher working party say "no to meet this week to discuss Matheson Insurance Brokers, proposal short of complete whether the order should be proposal short of complete whether the order should be divorce" of broking and under- awarded automatically to ICL writing interests, "is sufficiently largest insurance broker, Willis watertight to reassure the Faber, Hartley Cooper, public and the members of

Bass and Whitbread in soft drinks merger talks

merger or production agreement, covering their soft drinks although this has been concendivisions, by the end of September.

would include Bass's Canada Dry operations and Whitbread's White's lemonade and Rawlings mixers. Talks have been going on for several months, although both companies still regard each other as rivals in their main brewing operations.

The most likely strategy is for a combination of their tied pjublic houses being used to push up the Bass and Whitshare of the £1.25bn carbonated soft drinks industry. Bass and Whitbread are agreement rather than a of ivrecasting, merger. This would probably Bass and Whitbread say their Rawlings's mixers and fruit would then distribute the Canada Dry range of products and Whitbread lemonade.

BASS and Whitbread expect to over the past two years-with growth io volume terms. trated in supermarket sales. Last year public houses and The areas of co-operation clubs accounted for about 25 per cent of total sales.

The soft drinks divisions of the brewery companies have generally proved disappointing. Main reason is the continued dominance of Cadbury Schweppes which despite setbacks accounts for nearly half total sales.

Bass and Whitbread hope to increase sales of their brands in public houses by increasing the pressure on tied public houses to sell in-house brand soft drinks. This strategy would lead to an increase in the range believed to favour a production of products, avoiding the danger

mean the phasing out of the individual share of the soft drinks market is quite small. juices and both companies The consortium, if it is set up, would therefore be unlikely to attract the attention of the Office of Fair Trading or the Soft drinks have done well Monopolies Commission.

More aid urged for computer industry

BY GUY DE JONQUIERES

GROUP of leading British computer companies yesterday more Government support to help them resist competition from U.S. and Japanese manufacturers.

The 17 companies, which nelude International Cominclude (ICL), the General puters Electric Company (GEC) and have formed association called the United Kingdom Information Tech nology Organisation (UKITO) to argue their case to the

Government and the public. Mr. Harry Johnson, chairman of UKITO and sales director of Ferranti Computers, said he had written to the Prime Minister urging Inland Revenue's impending order for a £150m computer system should be placed with British suppliers.

A Cabinet committee is due and other UK manufacturers, or whether big U.S. companies should also be allowed to enter the bidding.

Mr. Johnson said it was widely, though wrongly, believed abroad that the order was "rigged" in favour of British companies. Their failure to win it would be soon failure to win it would be seen as a humiliating vote of no confidence in their products which would seriously damage their export prospects.

UKITO, whose membership s limited to British-owned and controlled companies, has published a five-point programme calling for more measures by the Government to support the industry. It asks the Government and

other public sector purchasers to identify up to five years in advance the types of computer applications they will need and to help fund research and development programmes to ensure that suitable products are available when required.

The industry should be encouraged to run pilot demonstrations of new products. If it was unable to offer a suitable product by the time a public tender was due, the possibility of delaying the tender should be considered. The proposed support pro-

gramme should be administered by the Industry Department in conjunction with the Central Computer and Telecommunica tions Agency.

Guides for local **business**

By James McDonald THOMSON British Holdings (the main UK of International subsidiary Thomson Organisation) and Dun and Bradstreet, the business reporting group, are to invest £15m through a new jointly-owned company in local communitybased information and buying guides throughout Britain.

The new company, Thomson Directories, will be part of Thomson Information Services. the operating group formed recently by Thomson British Holdings. Designed as an advertising

medium for local business, Thomson Local Directories will be an annual guide to business and community services for households and other users. In each area, based on local authority boundaries, every address will receive a free

copy.
The 700 staff on Thomson Yellow Pages (not part of TIS)
will be transferred to Thomson
Directories when the Yellow
Pages contract with the Post
Office runs out at the end of this year. Next year, they will produce over 100 local guides. Dun and Bradstreet publishes about 400 local buying guides annually in the U.S. Mr. Ernest Martin, who has been appointed director and general manager of Thomson Directories, comes from Dun and Bradstreet's U.S. subsidiary which produces the American guides,

Man and Matters, Page 16

duct which, in fact, it depre-

cated.
The judge said the Board's evidence showed It had a firm opinion of the way gaming should be conducted. It recognised that the Gaming Act did not give it the power to put that opinion into prac-tice directly. It decided to do so indirectly by holding up the consent application.

Even if that opinion were well-founded. it did not well-founded. It did hot justify deferring the application, said the judge. Any profit the previous owners were likly to make had by now been assured. The only effect of blocking the applications and the same of the same o tion would be that Playboy would lose money. The Board said it had an

over-riding power and duly to take steps which led to the better conduct of the gaming industry.

The judge disagreed. Its power was to keep the indus try under review, he said. The reality was that the Board wished delay to achieve what in practice was the same result as refusing a

certificate, for motives which

would not justify a refusal. That went far beyond matters the Board could properly take into account. -The sale transaction was not relevant to the Board's strictly limited inquiry into whether an applicant was capable of securing com-

pliance with gaming law and regulations, said the judge. **Electricity industry**

BY MARTIN DICKSON, ENERGY CORRESPONDENT

supply industry in England and Wales but rejected a major change in its structure.

The industry in England and Wales consists of the Central Electricity Generating Board, responsible for the bulk supply of power, 12 area boards which handle retail sales, and the Electricity Council, an umbrella organisation for the whole ector with largely advisory

powers.

The Government's move ends five years of uncertainty after the 1976 Plowden Committee report which said the industry lacked strategic control and should be unified under a single statutory body similar to the

But Mr. David Howell, the Energy. Secretary, said yester-day he had not been persuaded that any benefits from unification would outweigh the risk of over-centralisation. Instead, he intended to use

existing legislation to streng-Council and its chairman, Sir Francis Tombs, whom he reiser within the industry.

garded as his main policy ad-Mr. Howell said the industry had agreed on a six-point plan to improve co-operation. Among

unification rejected THE GOVERNMENT yesterday and capital programmes and will co-operate with it in the

> financial reporting system. The Council is to advise the Government on the develop ment of new performance indi cators for the industry and will head a review of the structure of the bulk supply tariff Some of these changes reflect complaints among the area boards that the CEGB is too secretive in its operations and

> provides too little informatio bout the assumptions behind the bulk supply tariff. The Government's statement is, nowever, a setback for Sir Francis, who had wanted to turn the Council into a strong central body on Plowden lines. The CEGB had been anxious to

> The Government believes that unification would offer no particular benefits to consumers and that the present diversity could be of value.

Mr. Howell's announcement was strongly criticised by Mr. John Lyons, secretary of the Employees National Committee, the co-ordinating body for the industry's main unions. In letter to the Minister he expressed deep regret that the Government had not legislated. Mr. Howell's proposals offered other things, the boards will "no long term benefit to the give more information to the industry" and were of "little Council on their tariff proposals practical significance."

MP tables questions on De Beers controversy

BY CHRISTINE MOIR

THE CONTROVERSY over De companies which are now free Fields Mr. Anthony Nelson, England permission. Chichester's MP.

He has tabled a series of Stock Exchange also concern Trade Secretary, over the matter which " does the City no credit," Mr. Nelson said yesterday. He is to ask Mr. Nott whether

he is happy with the legislation covering disclosure of share stakes over 5 per cent or. whether he is considering new legislation to cover groups of people acting in concert. De Beers used three The tobbers sold is companies to buy 14 per cent significant number of Consolidated Gold Fields, during the raid.

each owned less than 5 per cent of the shares—except for a roles played by Rowe and Pit-period in December. man De Beers' London brokers. Nott whether he is considering acted for the company in statutory controls over foreign Johannesburg-

acquisition of a 25 per cent provisions which limited their stake in Consolidated Gold holdings in UK companies to 10 has been taken up per cent without Bank of The regulatory systems of the

questions for Mr. John Nott, Mr. Nelson. He believes the exchange's recommendations concerning its report into the Gold Fields affair are "muted timid and inadequate."

Now he wants Mr. Nott to say whether he is satisfied that the jobbers' actions during the "dawn raid" of February 12 was in the interests of "fair trade."
The tobbers sold "short" of a significant number of shares

He is also concerned at the man De Beers' London brozers. Mr. Nelson wants to ask Mr. and Davis Borkum Hare, which

Granada ruling attacked

A COURT of Appeal order company pelling Granada Television to seven days to reveal the identity name the British Steel "mole" of the British Steel employee who leeked confidential documents used

Granada, said the Court of Appeal ruling had "violated established legal principles." it had sent the Press, said counsel, extended the legal action for the law and the Press, said counsel, there had been no case where a extended the legal action for discovery"—the disclosure of plaintiff had ever asked for, or document—used as a "tool in been granted, anything other litigation" into a new field than an order preventing a where ih had no application.

Granada is asking the Lords to overrule a decision of the Court of Appeal precided over

ments could lead to a spate of in a World in Action programme further actions against the Press, the Law Lords were told The order was suspended pending the present appeal to Mr. Patrick Neill, QC, for the Lords. The appeal is ex-

Court of Appeal, presided over attempt to get to the source, by Lord Denning last May, giv- said Mr. Neill.

Early Ming dish fetches £40,000 at Christies

11.5 per cent buyers premium and VAT, at a Christie's sale of Chinese ceramics and works of

SALEROOM BY ANTONY THORNCROFT

Hong Kong dealer. The sale fetched a total of £578,285. square vase, 15% in high, of the Southern Song dynasty, made E32,000; and an inlaid, black lacquer tall octagonal box cover and tray, of the 15th century,

fetched £26,000 The most unusual auction af

AN EARLY Ming blue and Christie's yesterday was West white deep dish, of the Yongle Yorkshire Metropolitan County period, sold for £40,000, plus the Council's sale of a collection of weights and measures for £66.288. The 179-lots stretched back

to 1826 and were inherited by the new authority when it absorbed smaller local authorities in the 1974 reorganisation The highest price was the f1,800 paid by Davidson, a London dealer, for a set of ten art yesterday. The buyer was a West Riding cylindrical bell Hong Kong dealer. The sale metal measures, with turned

wooden and ivory handles, dated A large Longquan celadon from 1824.79; A set of 16 Haiffax square vase, 15% in high, of the bell metal weights made £1,600. Among the many museums buying was the Science Museum, which paid 14,870 for seven lots, including £1,350 for a set of II Halifax brass conical

Treasury forecasting role reviewed

high-risk business.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

LORD KEYNES remarked in policy analysis. the thirties that forecasting unhour's honest work for a of 48 staff employed on macrogenuine economist."

Times have changed-new

vast resources are poured into economic forecasting by the Government, industry and the Yet the value of forecasts,

has remained controversial. Mr. John Biffen, the Chief Secretary to the Treasury, has already raised doubts about the uncertain science of economic futurology." It is hardly surprising, therefore, that the Tory Government should start

to look at the Treasury's own forecasting unit. The resulting review has been carried out by Professor Terry Burns, who joined the Treasury in January as Chief Economic Adviser from the London Business School.

Professor Burns' key recomyesterday's Financial Times, are that the Treasury should continue to produce regular forecasts, but that the resources devoted to such work should be ing done inside and some outreduced. Forecasting should side the Treasury. also be split from economic

not above a quarter of an part-time occupation for 30 out economic work-is in part a his-

The department was one of the pioneers in economic model building in the UK. But there are now a multitude of forecasts from other pioneers, such either as accurate projections or as the National Institute of as tools of economic manage- Economic and Social Research and the London Business School, and from a wide variety of academic and City groups.

There is never any possibility of running out of forecasts to

commentators have concluded the Treasury should pull out of forecasting and instead follow other groups' projections. But the Burns report says

that, given the size of the UK public sector, it would be difficult for anyone outside Government to pool together all information about tax and public expenditure.

mendations, now approved by The Treasury would always the Chancellor as reported in be working in these areas to prepare Budget options. And there would be big costs in trying to adopt a piecemeal

Other countries with less of

a tradition of Government The Treasury's involvement secrecy manage without a large employment should involve in forecasting—it is a full or forecasting apparatus within their economics ministries. They rely on organisations such as the five institutes in West Germany or Data Resources and Chase in the

> The counter view is that, whatever its merits, commissioning forecasts is expensive and would not be a saving. Critics argue that the combination of continued Treasury forecasting and the departresult in the development of a "party" line in official advice which prevents the examination of a wide range of options.

For instance, Dr. Alan Budd, a close colleague of Prof. Burns an Institute of Economic Affairs report last year that "outsiders give advice to the Treasury in much the same way that a newcomer to the district leaves his card at the Great House. Whether it is thrown on the fire or borne rapidly to the

mistress's houdoir may depend

on the nature of the message or

even on the whim of the butler.

He (the outsider) fights on

completely unequal terms with This view is now regarded as outdated by some senior advisers, principally because of the existence of the all party that Ministers of both parties Treasury computer.



Professor Terry Burns, Chief Economic Adviser to the Treasury, wants a 50 per cent in the department's forecasting staff.

Treasury and Civil Service Com-This employs some of the leading outside forecasters as advisers and in effect forces Treasury witnesses to publicly face and discuss other views. without obvious enthusiasm,

take as much notice of outside forecasts as they do of Treasury projections. There is no public assurance however, Ministers treat outsiders equally with their own advisers.

Nevertheless, Treasury fore-

casts will retain a special position in policy-making even after the proposed cuts in the forecasting process. Indeed, one of the aims of the reorganisation is to make forecasting more effective, partly by bringing together the

now separated real and mone-

tary sides of the exercise.

The hope is also that the reduction in the number of forecasters—by over, a half and the consequent reduction in specialisation will help to simplify and to bring under control the vast forecasting model with its 583 equations. The supporters of reorganisa-tion say the result will be a more coherent forecasting unit. The internal sceptics are worried about the dangers of creating a ghetto of forecasters

policy analysis. But at the end of the day, whatever the public doubts about the value of such forecasts, Ministers and markets Long serving officials say, will no doubt await as eagerly as ever the outpourings of the

separated from the the work of

وكنامن الثمل

energy 'unfair to industry'

AN APPEAL to the Government to review the basis on which industry is charged for its energy consumption, has been submitted by the British Inde-pendent Steel Producers' Association (BISPA)

The appeal, in a letter to Mrs. Thatcher, coincides with warnings issued earlier this month the British Steel Corporaion's Yorkshire and Humberside division, that electric arc steelmaking could cease to be viable because of increasing

electricity charges.
The BISPA case concerns increases in natural gas and heavy fuel oil as well as in electricity but, like BSC, it argues that UK producers are no longer able to compete with continental steelmakers enjoying substantially lower energy

The private steelmakers are entirely dependent for their bulk steelmaking on electric arc furnaces where costs, according to BSC, are running in the Yorkshire area at 2.5p per kilowatt hour as against 1.4p in France and 1.6p in West Germany. The private sector also consumes large quantities of natural gas to heat up rerolling mills; and it is faced with substantial rises as a result of Government-imposed pricing policies.

In heavy fuel oil, another important source of energy for the private sector, the basic price according to BISPA is £6-£7 per tonne higher than on the continent at £83 per tonne, with an additional tax of £8 which also has to be paid. Altogether, some 15 per cent of total costs in the independent sector are energy-related.

In her reply to BISPA, the Prime Minister has apparently indicated that the matter should be taken up with the Department of Energy. But the association's officials argue that energy prices for industry are a question of overall UK economic strategy, and should therefore he considered by the

iic W

E 25

belief that UK energy pricing it would be unable to finance a is tipped in favour of the con-sumer, and against industry. ment financial support. sumer, and against industry.

Price of BA may sell assets to offset cash crisis

to sell assets and cut up to 3,000 jobs this year if it is to have any chance of paying for its on the need to modernise the BA £2.4bn plan to buy over 40 new jet airliners by 1986.

Without "remedial action."

the state-owned airline acknowledges that it is heading for financial problems later this airline has already

missed its financial and pas-senger targets for this year. And in two weeks, it is expected to announce its results for last year-its worst-ever trading results with almost no profits despite a near-record growth in passenger volume, up 14 per cent compared with 1978-79. Passenger volume this year

expected to grow only at 5.2 per cent.

This is much lower than the

BRITISH AIRWAYS may have airline expected when it plan- timetable for buying the new ned its aircraft re-equipment aircraft if the cash crisis programme. The plan was based persists. fleet with more fuel-efficient

BA would respond to the cash crisis by further "aggresaircraft. But it was also sive marketing," by cutting out designed to meet the expected "excess aircraft capacity" continued high growth in demand for air travel — 2 its winter programmes from the coming season, by calling for demand which is not materialis-ing as fast as airlines would a 2.5 per cent cut in the expenses of each department in the airline and by selling "saleable" assets, if necessary, to Mr. Roy Watts, the airline's chief executive in a terse fourraise cash.

The airline has already lost through natural wastage up to 2,000 of the 3,000 jobs it wants to cut this year.

suffering from a serious short-Other possibilities open to the airline include a refusal to If left unchecked, the problem of cash flow will affect the exercise the many options it airline's ability to pay for the Boeing 737 and 757 and Lockhas with Boeing and Lockheed for further purchases on top of heed. TriStar airliners now on those already confirmed as firm order. BA may slow down the orders.

BBC tests to decide marketing potential of Carfax radio service

point programme to cut the

impact of the growing cash crisis at BA, told union officials

yesterday that the airline was

fall in traffic and revenue.

BY ELAINE WILLIAMS

BBC TESTS in London will decide the marketing potential of Carfax, a radio information service for motorists developed by the BBC.

The project is sponsored by the Transport and Road Research Laboratories, on behalf of the Department of Transport which has spent more than £250,000 on Carfax.

Carfax gives details of traffic jams, accidents and road works-which can only be picked up by motorists having a special-radio receiver.

The BBC estimates that the country could save between £5m and £10m a year by reducing the time motorists spend in traffic jams. The system would save on fuel and labour costs and could help reduce accidents. out a six-month public trial in-volving 450 motorists at the end Behind the arguments of both volving 450 motorists at the end the BISPA and BSC is the of the year. But the BBC says

Many UK-based turers have been working with full service. the BBC for four years to develop the receivers necessary to pick up Carfax. Radiomobile has already supplied the BBC with 100 Carfax receivers of different designs.

European countries are interested in providing similar services and are eagerly awaiting the outcome of the trials. Germany has its own service but it is not as sophisticated as

If manufacturers mass produce the Carfax receiver, it motorist would be able to pick would add about £10 to the cost of a car radio receiver. Buying If engineering trials are successful, the BBC hopes to carry an adapter to existing radios would cost between £20 and

> However, the only uncertainty has provided the funding, will announcement is made.

manufac- approve the introduction of a

Carfax was first proposed in 1971 by Mr. Ron Sandell, working at the BBC's Kingswood engineering research establishment in Surrey. His idea was to provide special traffic informa-Buying could be picked up only by drivers having a suitable radio opportunities because most interrupt normal radio any traffic problem occurred.

A countrywide network of transmitters would be able to provide national and local traffic information, with a computer storing information from motorist organisations. up information on the area through which he was travelling.

The receiver has been designed so that even if the motorist is tuned into a normal radio station, or has his set for Carfax is whether or not the switched off, it will automati-Department of Transport, which cally tune to Carfax when an

Warning of decline in Welsh tourism

By Robin Reeves. Welsh Correspondent

WELSH TOURISH could decline by 5-10 per cent unless Wales is marketed more vigorously, Lord Parry, chairman of the Wales Tourist Board warned in Cardiff yesterday.

Lord Parry, presenting the Board's annual report, said that the time had come for very blunt speaking. Tourism has grown into a major source of Welsh employment, providing about 90,000 jobs. If it goes into decline, Wales would have a problem of rural depopulation on a scale worse than anything talked about in the 50s and 60s.

"Some parsimonious local authorities are putting at risk the livelihoods of thousands of proprietors and workers in hotels, restaurants and shops in the resorts. Total advertising by Welsh resorts this year was little more than the space bought by one medium-sized English resort," Lord Parry said. He pointed out that spending by British holidaymakers was expected to decrease in the next two to pound was making trips to Britain very expensive for overseas tourists.

Earnings

Urging local authorities and the tourist industry to invest more in promotion, Lord Parry added: "If they go on assuming there is no need to spend on publicity because the tourist will come anyway, then tourism in Wales will go the way of some other British industries. The world owes us nothing."

The annual report calculates that Welsh tourist earnings increased by 10 per cent to £460m in the year ended March. It suggests the figure might have reached £500m hut for fears aroused by petrol shortages in the early summer of last year and the increase in VAT to 15 per EIB EXPECTS SPENDING CUTS TO HAVE IMPACT

Loans from EEC likely to drop back this year

the European Investment Bank first six months of the year, over questioned in some official and other EEC lending institutions look likely to fall back this ECSC. year from last year's record

The country's policy of reducing its foreign debt was underlined by the Government's announcement yesterday that it is repaying a \$1.5bn inter-national bank credit raised in

During the first six months of this year, fund raising from the EIB totalled £195m. Lending normally picks up in the second half of the year, so no firm prediction can yet be made for the whole of 1980. But the EIB feels that Government attempts to cut back public spending, as well as greater caution about foreign borrowing, might have an impact on its operations later this year.

In real terms "allowing for Britain's double digit inflation rate" borrowing looks almost certain to be well down compared with last year.

The EIB makes loans available to both public and private sector borrowers, particularly to and energy projects. Last year the UK received one-third of the bank's total lending to EEC

Beneficiaries this year include the South of Scotland Electricity Board, the National Water Council and British Rail, as well as many other public sector bodies and a number of private sector industrial companies. The National Coal Board has also borrowed around £50m this year from the EIB's sister organisation, the European Coal and Steel Community.

Loans from the EEC have become a progressively more important element in the Government's foreign borrowing. During the past few years, the overall official borrowing pro-gramme has been cut back con-(£2.1bn) of external debt.

Of the new loans that are still By doing so they would have being raised, the bulk is now saved £500,000 for their embacked loans which entered This would have halved the com- reduce the annual losses.

BRITAIN'S borrowings from Britain's official reserves in the account, it has also been half was from the EIB or the

> Loans from the EEC institutions are made in a mixture of foreign currencies — mainly dollars and Deutsche Marksas well as currencies like the

EEC loans could become an increasingly expensive method of fund raising for Britain. They might even become unnecessary as a result of the improved balance of payments.

Swiss and French francs and Dutch guilder.

These loans represent the proceeds of borrowings that the EIB and ECSC themselves have made on the international capital markets. The interest rate charged is the weighted average of borrowing costs in the various currencies, with a margin added to cover the EEC institutions' operational

The Treasury is understood to feel that this could be a relatively expensive source of borrowing now that oil-backed Britain is one of the most sought-after borrowers on the

international markets. The Government or a public sector body could presumably now borrow abroad at around the same prime terms available to the EIB, avoiding the need for an intermediary. Taking into consideration the boost given by oil to the current account balance of payments, as well as the large inflows Britain is already attracting on capital quarters whether Britain needs

Because of a cooling in the official attitude to EEC loans, the National Coal Board, which earlier expected to raise £200m

from the ECSC this financial

year, is now uncertain whether this figure will be reached. The influx of EEC loans also causes some complications for the Bank of England in its management of the official foreign exchange reserves. The loans are normally paid into the reserves in foreign currencies and paid out to the eventual borrower in sterling, with the authorities carrying the exchange risk.

In the past, the Bank has been cautious about taking currencies other than dollars. It however, become more flexible in accepting non-dollar currencies, particularly at times when the EIB has itself found it easier to raise funds in Deutsche Marks or other European currencies rather than dollars.

This has led inevitably to an increase in the non-dollar content of the foreign exchange reserves, now understood to be approaching 30 per cent (although no official figures are available). But it has at times given the Bank problems in finding proper investments for its non-dollar holdings.

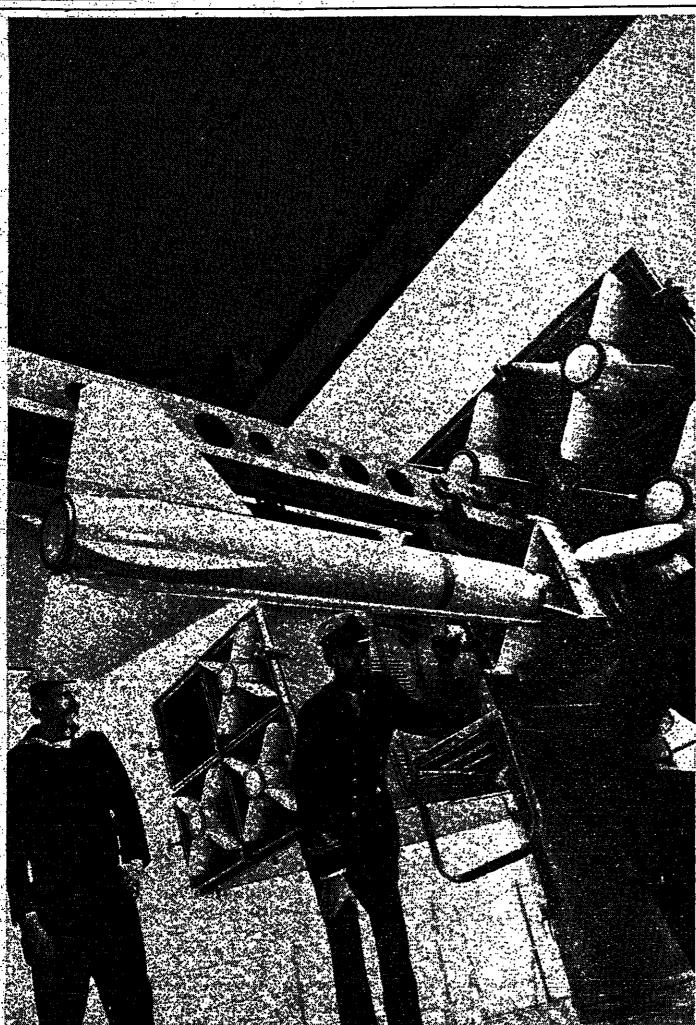
In view of the general arrangements among the central banks of industrialised countries to restrain reserve diversification, the Bank has become slightly embarrassed to find that it has roughly \$5bn of nondollar currencies in its own

Busmen refuse cut

siderably as a result of the MORE THAN 600 bus drivers pany's annual running losses, improved balance of payments and conductors did an aboutand the recovery of sterling, turn yesterday over an offer to union, Between the end of 1977 and take a wage cut of nearly £30 General Workers' Union, said March this year the Government a week. They decided by an the bus crews had decided to and other public sector bor- overwhelming majority not to take the cut in overtime. But rowers repaid a net \$4.9bn sacrifice a guaranteed eight the staff called for a secret balhours' overtime a week.

Nearly two weeks ago their the Transport and

Now more than 100 bus crews and administration staff will be coming from the EEC. Out of ployers, the Northampton-based made redundant and cuts will the \$648m of Government United Counties Bus Company, be made in services to help



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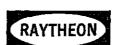
Now a large and growing number of ships carry the NATO Seasparrow Missile System, giving them the capability of successfully defending against attack by hostile aircraft

in cooperative defense programs. Raytheon heads up an international effort involving firms in four NATO nations to produce the Improved Hawk air defense system.

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The UCW's proposal is for one union for the industry, and the POEU's for a loose federa-

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BIRMINGHAM FORK LIFT TRUCK LTD.

The executive of the Antalgamated Union of Engineering decided to reject TUC proposals Workers meets this morning, with the issue of Grain high on its agenda. It is expected At the same time, mechanical contractors on the site have told that its construction section at leaders of the craft unions that least will follow the ETPU's

were dismissed last year

27 laggers who are members of the General and Municipal

Workers' Union. These laggers

Electricians reject TUC's

Isle of Grain proposals

The contractors say that bonus rates need to be restructured. Plans are expected to be presented to union members on TUC's finance and general purposes committee, carries the the site later this week. risk of suspension from the The craft unions in the dispute will meet later today to discuss the TUC proposals.

BY JOHN LLOYD, LABOUR CORRESPONDENT

day when an executive meeting of one of the major unions

involved, the Electrical and

These involve the withdrawal

Plumbing

of the year.

to end the squabble.

Trades Union.

UK NEWS - LABOUR

Isle of Grain power station con- engineers, or laggers, from the

struction site worsened yester. site and the re-instatement of

productivity on mechanical work on the site has fallen line, and that the later meing of all the unions will reveal dramatically since the beginning a deep rift between them on the TUC's advice. The flouting of the proposals, made by a sub-committee of the

TUC. This possibility has been highlighted by the GMWU, which backs the proposals, but

played down by the TUC.

THE inter-union dispute at the of the 60 trainee insulation The Transport and General Workers' Union has indicated that it will support the Tic line, a position backed yester-day by the National Union of Sheet Metal Workers.

However, Mr. George-Guy, the union's general secretary said that the problem of what would happen to the 50 trainee laggers was "a very difficult one

The problem of falling pro-ductivity, regarded by both the Central Electricity Generating Board—the client—and the con-tractors as serious, stems from the freezing of bonus rates at a relatively high level early this

It is understood that this action was taken to compensate the unions after the 2,000 strong workforce was cut by 600.

Adwest clash leads to 26 arrests

BY OUR LABOUR CORRESPONDENT :

PICKETS and police clashed Reading yesterday as around 100 pickets attempted to stop workers entering the plant. There were 26 arrests.

Mr. John Collingbourne, the company's managing director, said that the pickets were unsuccessful in their attempt to stop workers entering the plant, and that production proceeded

The pickets were mounted outside Adwest Engineering in in support of a worker, Mr. Martin Kaufman, who was sacked in May. A further 38 workers were subsequently sacked when they took action in his support.

The company claims that the remaining workforce of around 300 has accepted a pay deal which was the original cause of the disputes, and that it insists that the sacked workers should not be reinstated.

BBC rejection backed

THE BBC's compromise prostrike by musicians over plans to cut five orchestras were unanimously rejected yesterday by representatives of the orchestras on strike as "completely unacceptable."

According to the Musicians' Union, whose national executive also decided to reject the plans, the strikers expressed union's conduct of the dispute.

A final decision on whether posals for ending a six-week this year's series of Promenade Concerts can be saved will be made by the BBC today. The Concerts are due to start on Friday.

The likely cancellation of the Proms could bring further public pressure to bear on the BBC to come to terms, the unions said. Mr. John Morton, general secretary, said that TV autumn and Christmas schecomplete confidence in their dules could already be in some

Kent road delay possible

BY PAULINE CLARK, LABOUR STAFF TRUNK ROAD development in to the supervisors.

Kent was said yesterday to be Work on two lengths of the

tion said 150 Road Transport there. Unit staff in the area were

threatened with lengthy delays M40 in Warwickshire was said increases of 18.8 per cent on because of union resistance to by the union to have already the transfer of supervisory work been delayed six months from July 1.4 London and to private contractors. because of a union-backed regional allowances and salary The National and Local strategy of non-co-operation by Government Officers' Associa- road engineers in the RTU being raised by the same

This involves refusing to being balloted on proposals for assist in paperwork and in any about 2,500 of the insurance not co-operating with the trans- transfer of information neces- company's 4,500 staff, tightened fer. This followed the recent sary for the smooth continual its industrial action last week

Union seeks support for ICI offer

UNION negetiators for some 4,000 supervisors in ICI are to recommend acceptance of a 16 per cent pay rise, in spite of a campaign of resistance to a similar increase offered to other white collar groups in the company, our Labour Staff

The supervisors, whose basic salary would rise to between £4,000 and £8,000, work with manual workers on ICI works-sites throughout its divisions. The 50,000 manual workers have already accepted a 16 per cent deal on top of a 3 per cent inflation award made last January.

The Association of Scientific, Technical and Managerial Workers has given authority to negotiators to call further selective industrial action by other staff groups in ICI if they do not receive an improved offer resumed negotiations on Monday.

Legal and General accord

THE Legal and General insurance company, which has been disrupted by industrial action over pay for the past month, has reached agreement with negotiators for the Association of Scientific, Technical and Managerial Staffs, Nick Garnett reports.

Union officials believe the offer will be accepted at mass meetings today. It provides for salaries in a nine-month deal minima and maxima are also amount

2000

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> 15mm

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The union, which represents, issue of 20 redundancy notices tion of road work projects. to include the blacking of work

Judges rule against ASTMS

THE white collar union ASTMS yesterday lost its High Court bid to force the Post Office to recognise it as representing 1,000 telecom-munication sales representa-

Two judges ruled that the Post Office was not in breach of any statutory duty by refusing to recognise ASTMS. the Association of Scientific. Technical and Managerial

tion at first in telecommuni-

take the matter to the Court of Appeal. The Post Office had complained that other unions had

reduce them.

objections as irrelevant. The union is now likely to - said he could see nothing

wrong with the Post Office taking account of the fact that the fewer unions with whom it had to deal and the better they got on together, the better the chances were of agreeing a simplified grading

structure.
The other judge, Mr.
Justice Mustill, also refused to grant ASTMS court orders requiring the Post Office to negotiate with the union as an "appropriate organisa-

NATIONAL COUNCIL FACES DISBANDMENT

Post Office unions battle for supremacy

BY PHILIP BASSETT, LABOUR STAFF

POST OFFICE union leaders Union of Post Office Workers, are to meet this week to has circulated its proposals to in the industry based on itself on the future of trade unionism states: "It is not intended to unions see it as an attempt to in the Post Office after its split give this letter any publicity broaden the UCW's dwindling." The UCW call for one union

munication Workers and the to be disbanded in about a year. Post Office Engineering Union "The executive council believes Post Office Engineering Union — the corporation's two biggest unions — and are effectively separate negotiating bids for union dominance in the new enterprises.

The UCW's proposal is for the union.

officers, three of whom are over The coalition was form 50 years of age, we believe that year over pay. cations. Both proposals involve this is the minimum period the disbanding of the 11-year-old Council of Post Office which we can reasonably give in order to ensure that, as their

Unions.

Council officials accept that needed to seek employment in the umbrella body will fold up at tight labour market."

It unional level, although The UCW says that the officials of some constituent council, or a similar body, unions are worried that this would "act as a barrier to trade might allow the Post Office to union unity; it will be expensive. might allow the Post Office to union unity; it will be expen-change local industrial rela-sive and time-consuming. In-∵In-

present coalition with the Society of Post Office Executives. This would put the two unions in a dominant position in the new British Telecom-The coalition was formed this

The POEU rejects the idea of the council being divided in line with the Post Office because COPUO has become too elaborate and the procedures for decision making and meetings have become a

lengthy process."

The union suggests that if its proposals for a federation in the telecommunications bush

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said they would not co-operate with ASTMS and that the Post Office would be adding to the number of unions it had to deal with, whereas its policy was to

> ASTMS had attacked these Lord Justice Donaldson

into separate postal and tele inside the UCW until after the communications businesses.

The proposals have been taken place."

The union expects the council

the union.
"In the case of COPUO

membership base before the union is locked in the contracting postal business.
But other Post Office unions are looking more favourably on the POEU proposals, although some officials suspect that they are a means for extending the

tions agreements which are stead, the UCW believes that by ness are successful, the inea safeguarded by the council through its 21 regional and 300-plus area levels.

The UCW, formerly the sive and time-consuming, in the necessital plus area levels.

The UCW, formerly the sive and time-consuming, in the necessital plus area sive and time-consuming. In the necessital, the inea stead, the UCW believes that by ness are successful, the inea following its line communication be business and consideration be strongest possible weapon with given to a form of lugion which to confront management."

Mr. Peter Middleton, deputy

dent that the money supply was

He referred to the series of

indicators showing that the rate

of growth had fallen quite

sharply since last autumn.

Taken together with the evi-

dence that the economy was in

poorer shape than last autumn,

he suggested that it was there-

rate of growth within the target

dence with senior Treasury colleagues to the all-party

Treasury and Civil Service Com-

mittee of MPs which is inquir-

During a two and a qurater hour hearing last night, Mr.

Middleton and his colleagues

assumptions underlying the

were questioned about

Mr. Middleton was giving evi-

now under control.

this month.

Money supply is

under control,

says Treasury

Job programmes 'may be extended'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

GOVERNMENT prepared to expand existing economy, unemployment is employment schemes and unfortunately one of the introduce new ones if it consequences we face. becomes necessary later this year, Mr. James Prior, the through and Commons yesterday.
"I quite expect that over the

next few months it will be necessary for more to be done." necessary for more to be done," of the day real jobs are he said "We can extend created," existing schemes as well as consider new ones." Mr. Prior indicated some

consider new ones."

But, judging by the tone of his remarks earlier in the debate, he only had in mind a limited expansion of the various job programmes which are now year would have a place in the year that the most important thing that the most important thing by next Easter, was to create new jobs by Those under 1 ensuring that pay increases unemployed for over a year reflected what the country would also be found a place on could afford.

was replying to a Labour motion be spent to meet any extra comcondemning the Government's mitment arising from these deliberate creation of mass undertakings. unemployment as an instrument . In addition, his department

As long as we are trying to He hope

is squeeze inflation, out of the

msequences we race.
"We are prepared to go suffer the Employment Secretary, told the indignities and have the desperate problems which high unemployment brings in order to make certain that at the end

Those under 19 who had been

would also be found a place on ond afford.

The Employment Secretary he promised extra money would

of economic policy.

He insisted that the Govern-power Services Commission the ment's present economic policy possibility of extending the was the only way to put length of the various schemes employment on a sound basis under the youth opportunities programme. He hoped to receive the afresh.

Prior: "It will be necessary for more to be done."



MSC's review of employment and training by the end of the month. In the next session of Parliament, he said, the whole question of training would need ' a very considerable overhaul " and would have to be looked at

House in a further attempt to had seriously damaged exports. clear up the muddle over his suggestion to a Commons committee that the unemployed should take up some form of community work.

He emphasised yet again that any such proposal would be voluntary and said there was no difference of opinion between himself and Lord Gowrie, "inister of State for Employment

Mr. Prior said that Lord Gowrie had merely told a Press conference that unemploy-ment benefit could be withdrawn if a person persistently refused paid work. Lord Gowrie had not suggested that this should apply to social security payments, which would be the only meaningful way of compelling a person to join a community work scheme.

Mr. Varley said that Mrs. Thatcher was "the political equivalent of a neutron bomb"

community work scheme.
From the Opposition front bench, Mr. Eric Varley, Labour's spokesman on Employment, said that the Government had

There were three main causes: a disastrous inflation which they have been driven from had doubled in 12 months, a office."

The Employment Secretary penal level of interest rates, gave a long explanation to the and an over-valued pound which

"This chain of catastrophies doesn't come about by accident," he said. "Every action taken by this Government has been a deliberate attack on employment and jobs."

The country was told that this was being done to squeeze inflation. Yet the Government had deliberately created inflation by raising VAT, increasing charges for prescriptions and school meals and putting up the cost of gas and other fuels.

The Government had now deluded itself that its policies were working despite the fact that out in the country there was a real world of bankruptcies and lay-offs.

inflicting irreparable damage on the economy.

"The policies of this Government are not just misguided. created the sickest economy in they are inhuman and wicked," the Western world. the concluded. "We shall fight them and their policies until

£1m to be spent on advertising **Housing Bill**

THE DEPARTMENT of the Environment is to spend £1m on advertising the measures contained in the Honsing Bill. Well over half the money is likely to be spent on explaining to council house tenants their new automatic right to buy their homes.

The campaign will be handled by the Doyle Dane and Bernbach advertising agency. It will probably start in the autumn when the Government begins laying the orders which will bring into effect the various parts of the Bill. Both television and press advertising will be used as well as leaflets explaining the more detailed provisions

The Bill has been bitterly contested through all its stages by the Opposition and —though the financial provisions of the Bill provide for £1m to be spent on advertising—the campaign is likely to be attacked by Labour as political propaganda at the taxpayer's expense. Mr.

Yesterday, Mr. Roy Hattersley, the Shadow Environment Secretary, said that given the plight of the homeless, and the number of people who had lost jobs because of the Government's cuts in public expenditure, the £1m could be much better oent elsewhere.

But the Department of the Environment insists the purpose of the advertising is purely to inform the public of the rights the Bill gives them. Much of its effectiveness will depend on members of the public knowing their rights and using them.

This is seen as particularly important in areas controlled Labour where local councils are opposed to the whole idea of selling council

BY PETER RIDDELL, ECONOMICS CORRESPONDENT THE MONEY supply is under that manufacturing output control even though the rate would decline by 41 per cent of growth of sterling M3 since this year compared with 1979. the beginning of the current

Mr. Frank Cassell, an undertarget period has been slightly secretary involved in mediumoutside the official range, senior Treasury officials claimed last term analysis, said it was much too early in the year to say whether public sector borrow ing would be in line with the secretary on the domestic Budget estimate of £81bn for economy side, said he was confi-

In questioning about the sharp decline in the competitive position of British goods re-ported in yesterday's FT, one of the officials indicated that between a half and two-thirds of the erosion in the last two years was because of a faster rate of growth of costs in the UK than abroad.

Mr. Cassell was questioned about the impactof the strong fore reasonable to have reduced minimum lending rate earlier pound. He said that the full He pointed out that bringing the money supply under control was not necessarily the same in through benefits of the appreciation of sterling had not yet shown the short term as having the

But he gave the rough and ready estimate that the 12-month rate of retail price inflation would have been between three and five percentage points lowe rthan the present level of just under 22 per cent if the pound had not been strong and ing into the conduct of monetary policy. had fallen in line with the deterioration in Britain's competi-

tive position. The officials were questioned about the relationship between the drive to reduce inflation through a tight monetary policy Government's priority on using and the costs in terms of rising unemployment.

monetary targets to reduce Mr. Middletone said that it was difficult to believe in the On the short-term outlook, the longer term there was much official said that the decline in trade-off at all. He said that aeconomic activity and output in reduction in the rate of inflathe last few months was as extion was necessary if there was pected at the time of the Budget. There was therefore to be a sustained growth in out- :

TRANSPORT MINISTER CONFIRMS SALE OF BRITISH RAIL SUBSIDIARIES

'Channel ferries -top bargain'

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WHITEHALL'S - SALES are beginning to rival those of

The great British Rail sale, vigorously advertised yesterday by Mr. Norman Fowler, Transport Minister, will offer argains in Channel ferries. hovercraft, hotels and other

Before the summer is out. the Government is expected to announce that the Post Office, BNOC and other nationalised concerns will have special offers to make.

Setting the tone as Govern-

ment barker yesterday, Mr. Fowler promised benefits fortaxpayers, consumers and workers allke. The Opposition took a

apparent altruism. "Rip off, rip off," Labour MPs believed — suggesting that there would not be much risk for the "private risk capl-tal" invited into BR's profit-

noisily sceptical view of his

able properties. Labour MPs demanded whether investors would be offered a share of London's loss making commuter services. Or would they be invited to use their capital and enterprise to restore rural train services?

Mr. Fowler's plans did not include such initiatives. "Sheer hypocrisy," yelled Mr. Harry Cowans (Lab., Newcastle Central). apologising for his unparliamentary

Almost brought to a halt by angry Labour MPs massing for a debate on unemployment, the Transport Minister tried to make headway with assurances that the sales-would bring more jobs. British Rail had only built one new hotel since the war. "That is the kind of situa-

tion we are trying to tackle," Only one hotel but it was British Rail initiative and enterprise that had developed the hovercraft which had been spurned by private investors, said Mr. Stephen Ross (Lib., Isle of Wight) lining the Liberals solidly with the

Clegg 'not to blame'

Labour Opposition.

By Richard Evans

THE COMMISSION on Pay Comparability under Professor Hugh Clegg has been exonera-ted from blame for the embarrassing error in the report on teachers' pay pub-lished last April.

Instead, Sir Alan Marre,

former ombudsman, finds in his investigation published yesterday that the blame lay with the office of Manpower Economies who provided the statistics on this comparisons were based. which comparisons were based. Sir Alan argues that the Office was at fault in not ensuring that information on the starting salaries of graduates entering teaching on which

the Commission's recommendations rested—was checked before the report was completed and sent to the Prime



Fowler accused of asset stripping

FERRY SERVICES operated by Mr. Albert Booth, Labour's board had agreed to the disposal ment's policy to include British Sealink will be the first of the Shadow Minister of Transport, of its controlling interest in the Rail's engineering works was British Rail subsidiary interests emphasised the contributions to come under private sector made by Sealink and British control Mr. Norman Fowler, the Rail Property Holdings—profits announced in the Commons tively-to British Rail's overall

yesterday. He had to battle against repeated Opposition charges of asset stripping" when he confirmed that British Transport Hotels, British Rail Hovercraft and British Rail Property Holdand British Rail Property Hold-ings will complete the package chairman, had backed the to be put on offer to private Government's proposals in an capital over the next two to agreement arrived at after three years.

Mr. Fowler explained that a Bill to be introduced in the next session of Parliament, expected to open in November, will trans-British Rail to a holding com-

At a date to be decided, offers would be invited for a majority interest in each of the four concerus. He envisaged that British Rail Hotels would follow closely after Sealink in this latest instalment of the Government's partial de-nationalisation programme.

"asset stripping" charges by subsidiaries could be sustained stressing that British Rail, by commercial contracts. through retaining a minority He insisted: "These arrange-interest, would be able to share ments cannot but work to the private capital.

on a turnover of £38m—as justi- force at every level in these control to the private sector, confidently to And British Transport Hotels improving returns. had built only one hotel since Opposition MPs ridiculed the

Transport, of £13.7m and £29.4m respec-

finances. To Labour cheers, he denounced the Government's proposals as equivalent to eating the seed corn."

Mr. Fowler retorted that Sir several months of negotiation.

He declared: "The Government and the Board recognise that these subsidiary enterprises will not secure essential comfer ownership of these four main mercial freedom unless private non-rail subsidiary activities of capital is attracted in sufficient volume and unless private investors are assured of sufficient control through their shareholdings to ensure that the enterprises will be able to operate on equal terms with competitors in their respective

Mr. Fowler also emphasised that the Government was satisfied that the important existing trading relationship between Mr. Fowler rejected the British Railways and the four

in the additional profits gener- advantage of British Railways ated by the introduction of and the subsidiary enterprises. "We are also convinced that He cited the performance of it is only by maximising the British Transport Hotels — a opportunities for profitable ser-profit last year of only £328,000 vice to the public that the work-

fication for the transfer of enterprises can look forward to sharing in

Rodgers attacked for stand on missiles

BY ELINOR GOODMAN, LOBBY STAFF

day rounded on Mr. William was opposed to the deployment Rodgers, the Opposition of cruise missies and the Defence spokesman, for his emphatic support at the refuse permission for their weekend for the stationing of cruise missiles in Britain, and

however. While some Right-wingers admired his temerity in taking on the Left again head on, others queried whether his strategy was right

LABOUR Left-wingers yester- policy which stated that Labour neutron bomb, and would refuse permission for their deployment in Britain. In sharp contrast to this,

made predictable ralls for his Mr. Rodgers set out the case resignation.

missiles in Britain in a missiles in Britain in a resignation.

The criticism was not entirely confined to the Left. however. While some Righthows admired his temerity principle was involved.

The pamphlet was being how the second conficts again to the pamphlet was being how the second conficts again to the pamphlet was being the criticism.

interpreted yesterday, how-ever, by members of the Party executive as outright defiance Defence and nuclear weapons of party policy. Mr. Frank have long been divisive issues . Allaun, a member of the within the Labour Party. The executive, said that if Mr. issue threatened to come to a Rodgers could not accept the head earlier this year when official Labour Party policy on Mr. James Callaghan, the Party cruise missiles, he should leader, had to reluctantly go resign as Opposition spokesman along with a statement of party on defence.

Call to step up power station construction

BY JAMES McDONALD

industry is to survive a steady ordering programme of power station construction should be reactor, t introduced without delay, bringing forward into the 1980s some nuclear but new coal-fired plant inquiry.

sents "the steadiest and most power plant industry gets as secure" fuel for new power much of the work as possible.

IF BRITAIN'S power plant station development in the next

Commenting on types of reactor, the unions said: "We are not convinced of the case for a PWR (pressurised water of the construction that would reactor) programme but would otherwise be neded in the 1990s, not object in principle to the the nine unions in the electricity construction of one, subject to supply industry said yesterday. Nuclear Installations Inspec-Probably the bulk of this torate clearance and Ministerial construction will have to be consent following a public

If a British PWR is to be should be built as well," the unions told the Commons Select built, as much of it as possible Committee on Energy. should be constructed. should be constructed by British Committee of the Electricity our opinion it would be right, Supply Industry-representing if necessary, to allow for the the unions and led by Mr. Frank first PWR costing more than an Chapple-said that on present 'off the peg' imported PWR in knowledge, nuclear power repre- order to ensure that the British

four subsidianies.

Mr. Donald Stewart, MP for the Western Isles and leader of the SNP, argued that Dick Turpin's pistol-wielding "stand and deliver" tactics must have been employed against the BR chairman.

in fact, is asset-stripping and

An extension of the Govern-

looting.

Ignoring Mr. Fowler's denials. Mr. Stewart maintained: "This,

Rail's engineering works was advocated by Mr. P. B. Wells (C, Hertford and Stevenage). "It is very highly profitable,"

he said.

Mr. Fowler promised to examine the possibility of introducing private capital into BR's engineering division.

As Labour MPs jeered he stressed: "Not because it is so profit able but because its performance is not so good as it

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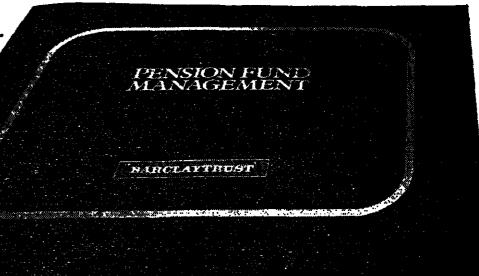
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Financial Times Tuesday July 15 1980

Going to Arabia—from the camel's mouth

BY MICHAEL DIXON

apartment provided free of was that people going to work charge, promises the specifica- in the region, fall into one of tion sent by recruitment con- four main categories. sultant Bernard Baboulène for

"Beware the 'free furnished accommodation' tag," writes a manager already working there. What is provided can, and regularly does, vary from palatial to disgusting, depend-ing on the employer."

Those last four words represent a common theme of the reports on local conditions generously sent by expatriates in the Middle East, so as to aid other managers and specialists who-perhaps already or potentially victim to the squeeze on employment at home—may be considering joining them.

conditions reported to vary much from country to country, ranging from the stern Islamic regime of Saudi Arabia which I discussed on June 26, to the far greater tolerance of western habits prevailing in Bahrain and Dubai. Within each country, however, conditions will again vary according to the expratri

Among the many people who pointed this out was Bernard gardless of whether there's Beboulene, and I want to really a job for you or not," emphasise that I meant no said a disgruntled specialist. criticism of him by the opening "You've therefore got to find paragraphs of this column, ways of reminding the personspecifications in short-hand and what is due to you."

phrases, he would doubtless spell out the details of spell out the details of accommodation and other conditions to anyone seriously interested the post. Moreover, he can do so from knowledge since his ers observed that despite the PLB Consultants company has forgetfulness of personnel de-

N.W. London

The first are those joining a a managerial job in Dubai, in big undertaking which involves the United Arab Emirates. big undertaking which involves international companies. Here, international companies. Here, I gather, there is not likely to be much trouble with accommodation and so on, because these tend to be standardised by the employer if not provided in a company compound with, as one reader said, "subsidised everything."

Many of the people in this category are doing a stint in the Middle East as a stage in their career with a multinational concern, and so are free of the anxiety of needing to find another job at the end of their two- to three-year tour (which most readers think is enough of a commitment for anyone first going out).

But several such career expatriates complain that bigcompany personnel centres tend to forget about their far-flung profit-earners, with the result that the end of their stint comes as a surprise to headquarters. Too often, the reaction is to try to forget you again by post-ing you off just anywhere, re-"You've therefore got to find

Visitors

On the other hand, two readlong had a special interest in partments, there is no shortage regulting for jobs in the of visitors from headquarters to Dubai in the winter. "The to Dubai in the winter. "The

£7,000-£12,000

£9.500

AUDIT MANAGER

within the audit function or into a financial controllership. The position

arress within a group which is extremely broad-based, both geographically and in terms of product range. Since systems and controls are highly sophisticated, applicants should, in addition to being qualified, have

large firm experience. Highly developed communicative skills and a

MANAGEMENT POTENTIAL

This newly created appointment is based at the European offices of an

The role is primarily concerned with non-routine planning and analysis

projects involving evamination of alternative business strategies. Appli-cants must possess the potential to develop rapidly within the manage-

TAX

A major professional firm with a highly respected international tax

exist both within London and the provinces and opportunities do exist to

transfer offices at later stages. Emphasis will be placed on training and every encouragement is given to qualify as an A.C.A. and as a member

MULTINATIONAL

Line prospects feature in this Head Office appointment with a U.S.

service group which anses through promotion. As Section Manager in

control of 5 staff you would be involved in monitoring the results of over-

bonitor to a star you would be involved in management and EDP liaison. Candidates should be recently qualified A.C.A.'s and self-starters, willing to accept

FINANCIAL ANALYST

A European multinational which is well-established within the U.K.

seeks a graduate accountant aged under 30 seeking an entry into an

seeks a graduate accountant ages under 30 seeking on entry into an industrial group. This interesting analytical role is broad in content and involves frequent liaison with the group's headquarters. Sophisticated EDP financial models are employed and, if necessary, the job holder will be taught computer programming. Career development prospects are

Lee House, London Wall, London EC2Y 5AS. Tel: 01-\$06 6771

ROBERT HALF

Accountancy & Financial personnel specialists

of the Institute of Taxation, Financial re-

C. London

American consumer products group whose outstanding success stems from the enthusiasm, professionalism and flair of its management team.

The consensus of the reports weather is so delightful com-vas that people going to work pared with Europe and North America that all weekends are taken entertaining visiting VIPs . . . Of course, they depart Friday night to get home for their weekend, having just destroyed

> But people who are not attached to a company and can-not look forward to a further posting of any sort, are strongly urged to bear in mind the need to find another job later on. It's best to think of this before you agree to come out, and lay down lines of communication to find out about suitable jobs that come up, possibly with the headhunter who wants

to export you." The second main category is people joining "quasi-national-ised industries" such as governmental or public-utility organisations. Here, it should be realised that the countries anywhere near completely.

advance that category-two jobs and conditions are not only tend to carry salaries which unambiguesly laid down but parable posts elsewhere. If this meaning to both sides. is not discovered until later. Unfortunately this is The salary and perks which they found so attractive to accept at home suddenly become inadequate in their view because they find that someone out here with whom they wish to equate themselves, is earning more or enjoying a perk they don't receive."

But second-category posts can offer compensations. Among Gulf."

position are invited from candidates

with a major international bank. This

experience should include a significant

general management position in the

Middle East/Africa or similar banking

tural assignment in the Gulf area.

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49 Hatton Garden, London ECIN 8XS

For Export Direction

The successful candidate must be

these, said another contributor. are: a 7 am start, 1 pm finish, allowing plenty of time for sailing, golf, or merely being lazy."

The third main type of em-ployment is in a relatively small joint venture between an Arab majority-owner and a Western concern which, I gather, usually looks after the management. especially of technical aspects. Here the Western candidate for a job has the advantage of being able to discuss and agree terms and conditions with someone speaking the same native language and from a similar cul-ture. But while the Western partner should be professional enough to state the employment conditions precisely, the onus of ensuring that this is done inevitably falls on the candidate,

This onus increases when the job is in the fourth categorywith an entirely Arab-owned business. "The Arab organisaconcerned will be aiming to tion is employing a mercenary replace expatriates with their —anything other than a salary replace expatriates with their —anything other than a salary own nationals. But few, I am is an unnecessary burden that told, now really think that they meeds to be eased to the lightest will ever replace expatriates possible proportions," went one typical description. So it is Several reports emphasise the important for the candidate to importance of appreciating in do all possible to see that terms are lower than those of com- acepted as having the same

Unfortunately, this is easier the result can be dissatisfaction. said than done, as the following reports imply:

> The expatriate "will have to learn to communicate with great precision-for misunderstandings are frustrating and expensive. He will more and more often be in a minority, and surrounded by unintelligible people -even though English remains the commercial language of the

General Manager

-Major Gulf Bank-

with a minimum of 15-20 years of diver- the successful candidate's expenence

available to take up this appointment by including salary history in strictest

prepared to accept a three year contrac- PO Box 2593.97 Syngrou Avenue.

September/October 1980 and be fully confidence to: Vincent Depaul Labbate,

Athens, Greece,

sified commercial banking experience and qualifications, and accepted employ-

will be offered commensurate with both

Initial interviews will be conducted

in Athens or London as appropriate with

subsequent final interview conducted

Please send curriculum vitae

ment practice in this area.

the office fuses" when their contract was to set up the com-pany's computer system. "The jobs of the fourth and often the over the previous 14 third category are those "able because he had opted to work very much in the in the local currency." shadow of an Arab figurehead, and who are quite prepared to have their performances sub-

jected to the most rigorous of scrutinies from time to time." "The truth is that if the rela- Bernard Baboulène. tionship with the employer goes sour, then theoretical rights to compensation or security of tenure will be of little value and indeed, may be counter-productive if the expatriate wishes to leave.

Consensus

terms and conditions state the end of the year. clearly the quality of accommoa more detailed check list, I tion and handle related in-would recommend a book pri-quiries and administration." vately produced by Brian Candidates should have ex-McMaster, marketing manager perience of similar manager ment Fund. Although it is primarily a guide to living in Saudi Arabia, much of its content seems to me to apply generally, and he has told me that a copy will be sent to anyone posting include a car, at 10 Richmond a cheque for £6 to him at Avenue, London SW20 SLA; Presley House, 19 New Street, telephone 01-540 5534 or, for Kegworth, Derby.

It is no good expatriates' pro-testing "that they have to check to be settled clearly is the cur-Another matter which needs rency in which the salary is paid. One reader had sadly watched the sterling value of happiest and most successful" in his pay decline by 13 per cent over the previous 14 months because he had opted to be paid

There, then, are some basic tips from the camel's mouth on how to approach offers of jobs in the Middle East, including the one being handled by It is a category-three post in

a road-marking venture between a large United King-dom group and two Arab interests, one of whom owns 51 per cent, the other being an entrepreneur who deals with the marketing and sales. The company has turned over £300,000 in 12 months with just Even so, the consensus is that one operating unit, and plans candidates must ensure that to have three units in work by

"Site engineering is sound," dation to be provided whether the headhunter says, "but for a single person or a family rapidly expanding activity deand include, wherever attain mands a manager to be able, provision for medical employed by the UK company, care, leave with paid fares, to look after its interests and school fees for any children act as an anchor-man for the accompanying the expat or stay- operation as a whole. He will ing in the home country, and a maintain liaison between the car as distinct from a car-parties, keep contract and allowance. For anyone wanting general accounts of the opera-

necessarily in road-marking but preferably in the same region. Salary at least £15,000 tax-free. Mr. Baboulène can be contacted for grilling about perks, which answering service, 01-542 8878.

THE POLYTECHNIC OF CENTRAL LONDON

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Closing September 1980.
Application form and rurther details
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Chief Executive

required with international experi-ence to head up banking division of international group. Ideal age 35-45, must be prepared to fravel. At least two languages required. Must bave complete banking experi-ence. The successful candidate would be responsible for the whole banking operation, answerable only to principal shareholders.

Box A7243, Financial Times, 10 Cannon Street, EC4P 4BY.

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(Unqualified) £6.000 An excellent opportunity for a young career-minded professional with a major firm of Chartered Surveyors. Based Central London. mainly responsible to clients on property accounts with some general bookkeping, etc. Your client handling expertise will ensure

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be a positive advantage.

company.

64% 1972-1987 FLUX. 800,000,000
Holders of the above mehtioned bonds are hereby informed that the annual redemation installment of Flux. 80,000,000 does on 18th August, 1800 has been entirely satisfied by repurchase in the market of 1.600 bonds of Flux. 50,000 each of Flux. 50,000 each of Flux. 50,000 each of the place this year. The amount of bonds outstanding, after amortisation of 18th August, 1980 will be Flux. 560,000,000. BANQUE INTERNATIONALE
A LUXEMBOURG
Société Anonyme
Paying Agent

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Section B No. 13.142

DIVIDEND ANNOUNCEMENT DIVIDEND ANNOUNCEMENT SCHLESINGER INTERNATIONAL FUND 4.UXEMBOURG) S.A. will pay a divident of US\$1.25 per share on July 25th. 1980 to holders on record at the close of business on July 7th. 1980. Shares will be traded ex-dividend on July 8th. 1980. The dividend is payable to holders of bearer shares against presentation of compon number 1 at: Esmoue Génerale du Luxembourg. S.A. 27. Yeanse Monterry Luxembourg. THE BOARD OF DIRECTORS.

THE BOARD OF DIRECTORS.

PERSONAL

BOARDROOM TABLE Genuine Regency, 3 stalks, 12 ft 4 in x 4 ft 1 in (2 leaves). Beautiful condition. £3,000. Inspection invited. W. Jerome, c/o S. Jerome & Sons Ltd., Shipley, Yorkshire. Tel: 0274 587251 or (home) 585863.

WORLDINVEST INCOME FUND DIVIDEND ANNOUNCEMENT DECLARATION OF DIVIDEND NO. ?

The Trustees of Workinvest Income Fund are pleased to announce a US Dollar 5.00 per share distribution to Shareholders in respect of the half-year period from 28th December 1979 to 26th June 1980. Coupon No. 7 and also any pre-viously unpresented Coupons may be presented for payment on or after 1st August 1580, to any of the follow-ing Paying Agents:

ns; August 1900, to any or the followns Paying Agents:
Bank of America NT & SA,
Hong Kong Branch,
St. George's Building,
No. 1 Ice House parcet,
Hong Kong, B.C.C.
BankAmerica Trus; and Banking
Corporation (Bahamas) Limited,
50 Shriety Street,
Nassau, Bahamas,
Bank of America International S.A.
35 Boultvara Royal,
Luvenbourg,
BankAmerica Trust Company (Jersey)
Limited,
Union House,
Union Street,
St. Heiler,

Jersey. Coangel Islands.

BANKAMERICA TRUST COMPANY

At an Extraordinary General Meeting of the Fund held at its registered office Pietermaal 15, Willemstan, Curacan an Friday 27m June. 1980 the resolutions contained in a letter dated Jtn June. 1980 sent to registered haremolders and advertigation of the sent to registered haremolders and advertigation of the sent to registered haremolders and advertigation of the fund now consist of shares of Convertible Capital S.A. and the Fund has been put into liquidation.

Shareholders of the Fund are entitled in the Liquidation to shares. Someoniders should apply for instructions on the action that they should take to the Cash exceeds of realisting such shares. Shareholders Agent, they should take to the Liquidator's Agent, and the Fund has been put internationale a Luxembourg. 2 Soulcrary Royal. Luxembourg. 2 Soulcrary Royal. Luxembourg. 4 MAATSCHAPPIJ TRUSTKANTOOR.

7th July 1980.

The Kansai Electric Power Company, Incorporated, Osaka

DM 150 million 4% Convertible Debentures 1979/1984

The Kansal Electric Power Company, Incorporated, has increased its share capital by free distribution of shares of Common Stock to its shareholders of record on July 10, 1980, at the ratio of one new share for each fifty shares held.

The Conversion Price of the Convertible Bearer Debentures of the

Frankfurt em Main,

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS EDRS) IN THE NIPPON FIRE & MARINE INSURANCE CO., LTD. The 35th Ordinary General Meeting of Sharoholders of The Nippon Fire & Marine Insurance Co., Ltd. will be held on July 25, 1980.

Insurance Co., Ltd. will be held on July 25. 1980.

AGENDA

11 Approval of Financial Statements and orcoosal for appropriation of retained earnings for the 56th Fiscal Year strom April 1. 1979 to March 31, 1980).

2) Election of 9 Directors.

3) Election of 9 Directors.

3) Election of 9 Directors and Statutory Auditors of Presentation of awards to retiring Directors and Statutory Auditors for Full test of Notice is available at Ckibank N.A.. London)

Shareholders who wish to exercise their voting rights must deposit their cortificates of the Depository, Citibank, N.A., 336 strand, London WCR 1HB, or the Agent. Citibank (Luxembourg) S.A., 15 Avenue Marte Thorcise, Luxembourg) S.A., 15 Avenue Marte Thorcise, Luxembourg together with instructions indicating the way the Sheres voted.

CITIBANK, N.A., London

CITIBANK, N.A., Landon Depositary

PUBLIC NOTICE

E23.000.000 bills issued 9.7.80 at an average rate of 14.7276 to mature 8.10.80. Total applications were £164m and these are the only bills outstanding.

DM 150 million 4% Convertible
Debanture Issue 1979/1984 has
been adjusted pursuant to Section 4
to Yen 1,210 for each share of
Common Stock.
The adjusted Conversion Price has
become effective immediately after
July 10, 1980.

COMPANY: INCORPORATED Dresdner Bank

THE KANSA! ELECTRIC POWER

BANQUE INTERNATIONALE

POUR L'AFRIQUE

OCCIDENTALE

US\$ 20,000,000 Floating Rate 1978/83 The rate of interest applicable

for the six month period beginning on July 15, 1980, and 91% annually.

PRIVREDNA BANKA ZAGREB US\$25,000,000.--Ploating Rate Notes 1978 (85)

In accordance with the terms and of interest has been fixed at 10%% per annum for the interest period running from July 9, 1980, to January 8, 1981 (each day inclu-USS54.94 payable on

CJB Offshore sales director

Mr. John W. Holmes has returned to CJB OFFSHORE as a to Mr. B. Moran who has left director responsible for sales, business development, proposals and subsea operations. Mr. Holmes has been chief executive of UDI Group since its acquisition by Constructors John Brown. He remains a director of UDI in his new appointment. July 11:

Mr. P. V. Mitchell has been appointed to the Board of WALTER SOMERS, taking over the responsibilities of production

Mr. M. K. Pedelty has been appointed as managing director of BRYANS SOUTHERN INSTRUMENTS, a member of the Phicom Group.

Mr. Stanley F. Weldon has retired as managing director of CAXTON CHOCOLATE COM-CAXTON CHOCOLATE COMPANY. He has also resigned from
the boards of the other companies in the confectionery
division of ASSOCIATED BISCUIT MANUFACTURERS.
namely. OP Chocolate and Bendicks (Mayfair). He is succeeded
at Caxton Chocolate by Mr.
Michael C. Styles who has been
appointed a director and general
manager. manager.

Mr. Pat Fitzgerald, sales and marketing director, Pillar PG, has been elected president of the PATENT GLAZING CONFER-

Mr. B. Middleton has resigned from PULLEN PUMPS and its associated company PULLEX LIMITED. Mr. Peter G. Jones. managing director, now has over all responsibility for general management and sales.

Mr. R. G. Holding has been appointed to the Board of BRIAN WOODHEAD AND CO Mr. Holding joined the company a year ago and was previously manufacturing director of Foster Brothers Clothing Company.

Mr. B. R. Hosh, managing director, Griffin Factors, a member of Midland Bank Group, has been appointed chairman to the committee 01 CHAIN INTERexecutive NATIONAL.

SIR WILLIAM BURNETT, timber and plywood importer, has appointed Mr. C. C. Dossetter as chairman and managing direc-tor of its subsidiary companies; Mr. W. J. L. French as financial director of the company and financial director and secretary of its subsidiary companies; and Mr. R. L. Hopwood as sales director of Sir William Burnett (Timber).

at Whitley.

Following re-organisation of the subsidiary electronic components companies within the Dubilier Group, Mr. Chris Bean has been appointed managing director of the newly-formed DUBILIER COMPONENTS

Mr. D. C. Latimer has been appointed to the Board of BUNZL PULP AND PAPER, as group services director and wilk continue as company secretary. Mr. J. Farago a member of the Board, has been appointed group

Mr. T. J. P. Sanders, the group's strategic planner, has been ap-pointed to the Board of Banzi Finance. Mr. D. P. Gordon has transferred to Coated Speciali-ties as marketing director. Mr. R. I. Phillips, general manager. Scarborough, is being transferred to Friendly House, initially for secondment to the strategic planning team. Mr. J. Storey is an pointed a director of Bunzi Adhesive Materials and from August 1 becomes general manager, Scarborough.

development director

financial controller in success

the company.

The Industry Secretary has appointed Mr. Albert E. Frost as a partitine member of the BRITISH STEEL CORPORA-TION for three years from

Mr. A. E. Troop has been appointed regional director, MIDLAND BANK Exter region. from September 1. He succeed Mr. M. L. F. Dwerryhouse who GOODYEAR TYRE AND RUBBER COMPANY (GREAT

BRITAIN) has appointed Mr. E. R. Culler as chairman and managing director. From August 1. Mr. Culler replaces Mr. W. Hansen who is being re-assigned.

Mr. Erik Herrmann, chairman of Stal-Levin, has been appointed managing director of the company's Swedish-based parent group, STAL REFRIGERATION.

AB. Mr. Herrmann takes over from Mr. Ivar Brandin, who has

Mr. Andrew Margolis has been

appointed executive director of LION MICRO COMPUTERS Mr. James Taylor-Dickson has been appointed a director of ANTHONY WIELER AND CO.

ATLAS PHOTOGRAPHY has appointed Mr. Geoff Banks a director.

Professor Michael Wise has been elected to succeed The Land Hunt of Liantair Waterdine as president of the ROYAL GEOGRAPHICAL SOCIETY.

Mr. Geoffrey Heddon Potter, director-general of the Asphait and Coated Macadam Association, has been elected president of the INSTITUTION OF HIGH. WAY ENGINEERS.

Following the restructuring of top management at the CARPET MANUFACTURING COMPANY. MANUFACTURING

Kidderminster, further appointments have been made. Mr. Less
Wilkes, sales director of GiltEdge Carpets, has become the company's overall sales director with responsibility for both the Gilt Edge and CMC Red Book Giff Edge and CMC Red Book Carpet brands. The CMC board has been strengtheaed by the appointment of Mr. Dearlek Westwood and Mr. Eric Haugh-tey. The general manager of the newly-formed Carpets inter-national Contracts, Mr. John Lloyd, has been made an associate director of that company.

Mr. P. J. G. Burgess (Costain Civil Engineering) has been elected president of the CONmember, has been appointed CRETE SOCIETY. Senior vice group managing director of president (president designate HOGG ROBINSON GROUP.

Mr. Peter F. Willing has been TWINLOCK states that from appointed deputy director of car and truck engineering, administration and control for TALBOT at Whitley. Goode will become managing director and Mr. K. R. T. Hodgson, a non-executive direc-tor will retire from the board. Mr. C. L. Grove was appointed a director on June 26 with responsibility for overseas sub-sidiaries and all UK sales services, including warehousing and distribution

Mr. Brian S. Moulding has been appointed managing direc-tor of METALRAX (CON-VEYORS) a part of Metalrax engineering group. Mr. Moulding retains his position as: managing director of the Metalrax subsidiary Bearings Mr. Commercial G. Howard Bridge has become a director of Metalrax (Conveyors) and con-tinues as managing director of

Mr. Ken Anthony has been appointed engineering director of TEDDINGTON BELLOWS.

Mr. Brian C. Carter, previously managing director of TEX ABRASIVES, has been appointed deputy chairman and managing BUNZL ADHESIVE director and becomes chief. MATERIALS (IRELAND) Mr. executive in succession to Mr. A. Kenneally has joined the com- Lorence Evelyn Jones who repany as company secretary and mains chairman.

ారు చేశిను

BASE LENDING RATES

ABN Bank 16 % Hambros Bank 16 % Hill Samuel 16 % Hongkong & Shanghai 16 % Hongkong & Sanghai 16 % Hongkong & A P Bank Ltd. 16 %

Arbuthnot Latham 16 %
Associates Cap. Corp. 16 %
Banco de Bilbao 16 %
Bank of Credit & Cmce. 16 %
Bank of Cyprus 16 %
Bank of N.S.W. 16 %
Banque Belge Ltd. 16 %
Banque du Rhone et de 1a Tamise S.A. 16 %
Barclays Bank 16 %
Bremar Holdings Ltd. 17 %
Brit. Bank of Mid. East 16 % Brown Shipley 16 %
Canada Perm't Trust 17 %
Cayzer Ltd 16 %
Cedar Holdings 17 % Ryl. Bk. Canada (Lún.) 16 %
Schlesinger Limited 16 %
E. S. Schwab 16 %
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Standard Chartered 16 %
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Trustee Savings Bank 16 %
Twentieth Century Bk. 16 %
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Williams & Glyn's 18 %
Wintrust Secs. Ltd. 16 %
Yorkshire Bank 16 % Cedar Holdings 17 % Security Trust Co. Ltd: 17 % Charterhouse Japhet 16 % Standard Chartered 16 % Choulartons 17 % Trustee Savings Bank 16 % Trustee Savings Bank 16 % Trustee Savings Bank 16 % United Bank of Knwait 16 % United Bank of Knwait 16 % United Bank of Knwait 16 % Whiteaway Laidlaw 16 % W

المكنامن النصل

MANAGEMENT

FOR THE last two months British company directors have been confronted with a new list of legal liabilities and administrative duties. But to judge from the lack of public discussion, many of them must still be blissfully unaware of their new responsibilities and obligations. Schedule Two to the Com-

panies Act 1980, which received 400 amendments tabled during the report stage in the House of the Royal Assent on May 1980, lists no fewer than 136 offences or contraventions of Commons, the Act is very much which a director of a company can be guilty. The major closure requirements and offences can only be committed restrictions on directors was when acting in bad faith, but prompted by the many scandals a large proportion can result which came to light in the from negligence, slowness in seventies. It details as specific filling in forms, or simply ignorance of the new Act. offences and contraventions much that was disallowed

It is a detailed and complicated statute, very different from the Bill originally introduced to bring English company law in with EEC company directives. The major innevations concerning insider dealing and loans to directors have received adequate publicity and will obviously not have been easily honest man in his position would reasonably believe to be overlooked by those concerned. overlooked by those concerned.

But of much greater impact on the day-to-day running of a business will be the provisions for re-classification of companies the raising and maintenance of capital and the declaration of dividends.

Some of the implications of tial shareholders), between majority and minority share-holders and between share-

Some of the implications of this piece of company law reform are far from obvious. and the British Institute of Securities Law has joined forces with the newly established Centre for Commercial Law Studies to analyse and explainthe new Act in detail at a twoday conference being held today and tomorrow at Queen Mary For all its detailed provisions,

David Wainwright accepts

" halfway house."

The enactment of new dis-

before in a general way on the

always act in good faith for the benefit of the company as a whole. The more detailed guidance in the new Act speci-

fies only the general rule that a company director must act in a

way which an intelligent or

All in all, the Act is a remark-

ably comprehensive exercise on

the theme of conflicts of interest between directors and

shareholders fincluding poten-

It falls short of law reform

projects which envisaged insti-tutional changes intended to

help prevent irregularities. It

has no provisions for special supervisory functions for non-

make audit committees obliga-

good for the company.

holders and employees.

histories in assimilating other ethnic cultures; but says that "equal opportunity in employ-ment is an objective of both in both countries societies : public and private organisations have to respond to this objective and they have similar problems in managing the changes in behaviour required The major feature of U.S.

has pursued the equal oppor-tunity goal. The U.S. Equal Employment Opportunities Commission was established to implement the Civil Rights Act of 1964. Together with the The objective, says Wain Justice and Labor Departments

some of which resulted from the new authority to watch over the behaviour and efficiency of management.

In the absence of structural changes within the company, and with no more than the rather cumbersome instrument of control represented by the Department of Trade inspectors, it is questionable whether the disclosure requirements, and the threat of fines, are enough to keep companies out of mis-

Such detailed rules of behaviour may prevent the occa-sional slip of those ready to take the opportunity when no one is looking. But for the vast majority of company directors who are honest without compulsion, the new Act will only increase the burden of having to write such things as disclosure reports and filling in forms. The determined and skilled crooks will hardly be deterred: for them the new rules will only be a challenge to find new loopholes and devise new schemes.

The new Act has only timidly moved toward the broad concept of a business company as an institution in which not only shareholders but also employees and consumers have an impor-

It changes nothing in the fundamental rule that the direcexecutive directors; it did not tor must to the best of his knowledge and skill, act in the tory, and it did not create a interests of the company, which half a step back in subsection holders; but it remains an open

Why boards are liable to bear new burdens

A. H. Hermann examines the implications of the 1980 Companies Act

so far has been taken as being synonymous with the interests of shareholders. But the concept of broadened by Section 46 of the Act, which requires directors to the company's employees in This provision will, no doubt, general as well as the interests of its members." of its members."

Having taken this step for- of their employees into account ward in subsection (1) of Sec- by protecting them against tion 46, the Ast retreats at least actions brought by irate share-

(2) which says that the duty to have regard to the interests of the employees as well as of the what is in the interests of the shareholders is owed by the now somewhat directors to the company alone, and "is enforceable in the same way as any fiduciary duty owed

which wish to take the interests

How managers can avert a race war

question whether, and how, the generally accepted that "the duty to do so can be enforced by the employees.

If a company is the subject of a Department of Trade investigation, the inspectors may well point out any failure on the part of the directors to take account of the interests of the employees, but this would be bolting the stable door after the horse had gone.

In English law, only persons to whom a duty is owed can sue in respect of the wrong done by someone else, and subsection 46(2) of the new Act is very emphatic in its statement that the duty is owed by the directors to the company. Taking a static view of the

law one could conclude—and some company lawyers have gone on record to this effectthat only shareholders can sue the directors to enforce their obligations towards employees. It follows from this that an employee could sue only when disguised as a shareholder. Those who believe that will change view

nothing Section 46 as nothing more than Government propaganda, though they acknowledge that under certain circumstances the threat of publicity following from a legal action taken by an employee-shareholder could impress the directors.

But one can also take a longer view. If and when it becomes

includes its emcompany " ployees and these are represented, either by consultative ness of the company, but also bodies or by worker-directors, the courts may take a different view and allow actions to be brought by employees or their representatives even if they are

Proceeds

not shareholders.

More specific provisions for the benefit of employees of a company or any of its subsidiaries are contained in Section 74 of the new Act. This was included to reverse the decision in Parke v. Daily News, when the court prevented the Cadbury family from distributing to redundant employees the proceeds from the sale of the News Chronicle and the Star.

Like Section 46. Section 74 only an enabling provision; it merely permits payments to he made but does not say that provisions for the benefit of the employees must be made, Incidentally, the new possibility for provision to be made for redundant employees of a subsidiary is another step towards removing the fiction of legal separateness of the companies in a group.

The Act is also designed to regulate conflicts of interest between the company and its

directors. It requires disclosure of substantial contracts and directors' interests in them: regulates, and either excludes or limits the granting of loans by the company to its directors. and protects the company against excessively long and irrevocable service contracts with the directors. These conflicts of interest are defined so as to include not only the busithat of its subsidiaries.

Finally, the Act brings English company law into greater harmony with developments on the Continent by providing greater protection for minority shareholders. It is intended to make access to the courts easier for minority shareholders who feel oppressed or harmed by the majority. In doing so it in corporates the recommendation made by the Jenkins Committee on company law as long ago as

On the whole it can be said that the new Act advances English company law only very cautiously, giving a seal of approval to what well-managed companies were doing anyhow, and what in respect of employees most companies had to do anyway in order to live with the trade unions.

Further advance is left to the discretion of individual companies. Boards are free to choose their own organisational outside directors or to set up audit committees if they wish. The Act also gives them carte blanche to experiment with new forms of consultation between employees and management. It is in their own interest that they should do so.

FORECASTS of a serious crisis any company to the levels in race relations in the UK roughly proportionate to their have become more portentious appearance in the labour force. list, in recent months, as the worsening employment figures, especially among the young, hit the black communities disproportionately hard.

The Government has made it. clear that it can do little to prevent the figures rising to 2m, and beyond. It is timely, then, for a report* to be published which reminds British management that it should take on responsibilities in this area, too.

The report, "Learning from Uncle Sam," written for the Runnymede Trust by David Wainwright, compares UK concern over ensuring that black workers get a reasonably equal. chance with the practice in the U.S. and finds the UK's performance , lagging in every

that the two countries have different traditions

practice is the vigour with which the federal government

ethnic minorities, and can and ant black pressure groups, made munity relations commissions ability, and that these criteria or on its policies and prodoes take action if guidelines some organisations are not followed. A spectacular

these agencies' effectiveness was the \$31m which various steel unions agreed to pay to to nearly 35,000 blacks and "Spanish-surnamed" employees against whom discrimination had been practised in the 1960s. Once it became clear that the Government was prepared to penalise companies if they did not implement an equal opportunities commitment, then others quickly took steps to come into line.

Says Wainwright: "Perhaps

change because they feared the alternative of costly court actions or demonstrations and economic boycotts from black groups. Perhaps other organisations considered it in their interests to appear to be part of the

general move to change. "Whatever the difference in the motives for change, activity to achieve equal opportunity in employment is more impressive at every level in the U.S. than our efforts in the UK." Оn Wainwright's 0Wn

evidence, that appears to be an understatement. Few companies, if any, keep records which

also find most employers unwill- are colour-blind. This view can ing to pay more than lip service to equal opportunity schemes. The problem is simply not perceived; or if it is, it is not regarded as being relevant to one company, he says.

BY JOHN LLOYD

point might be made though Wainwright does not expand on it, that a country like the UK, lacking the tradition of ethnic politics which has been endemic to the U.S. since the time when its black population was still enslaved, finds it difficult to adopt a similar practice in the workplace. British managers

scarcely be called discriminatory, though its effects may The report recognises that

there may well be substantial

reluctance on the part of UK managers to admit there is a problem; its main prescription is thus a modest one, though capable of leading to more radical changes later. author argues for the collection of evidence, both as a means convincing executives that there is a job to be done and to serve as a tool for doing that job.

"Preliminary studies of the

cedures. There will be no solid evidence of discrimination in employment and advancement. Nevertheless after a few weeks' study, the organisation could have an analysis of equal opportunity that is about 80 per cent accurate in identifying areas requiring further investi-

Two kinds of evidence should be collected: first, a classification of the workforce to identify all functional and administrative units, and all job titles and seniority levels. It should then be determined what the distribution of each ethnic group is in these units and levels.

index showing the percentage of ethnic groups in the population, or in the surrounding area. "One can hope," concludes Wainwright," that British managers will use the experience of

the U.S. because they can see positive social and economic advantages in equal opportunity programmes. If positive incentives do not work, perhaps the legislators and the minorities themselves will conclude that they must use the U.S. experibecause managers will

The conclusion has a hidden. sharp edge. In the U.S. some minorities formed militant groups (which in the late sixties were often armed) and this inspired change by fear. The extremists assume that will happen anyway; might have a part to play in proving them wrong. Learning from Uncle Sam by

wright is to increase the and the Office of Federal Con- the development of vigorous if any, keep records which would no doubt insist that "Preliminary studies of the Second, the findings of the David Wainwright Runnymede number of blacks and other tracts Compliance it monitors enforcement agencies with long-measure change in ethnic em-employment and promotion organisation's situation will not workforce classification should Trust, 62 Chandos Place, ethnic minorities employed in progress in the employment of term strategic aims, and milit-ployment profiles. Local com-should be on merit and suit-provide any data on attitudes be matched with a population London WC2N 4HG, £1.50.

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

CONSTRUCTION

Mobile cement silo

DEVELOPED FOR use on small run brake and mandatory lights to medium-sized construction sites is a mobile 20-ton cement silo on its own integral trailer for transporting behind a tow-ing vehicle. It has been launched by Pontasilo, Hunting ton, York, (0904 24872).

It is transported in a horizontal position and, when delivered to the site, is raised into its vertical working position by a one-man operated winch. It is held safely in position throughout its operation (during which it will withstand winds of up to 100 mph) by two securing pins

and pivoting legs.

To be supplied at first with the Pullwey Mechanical Cement Man, the design gives optional alternatives of screw conveyors and Powerweys for sites where

Trailer has all necessary towing requirements, says the com- cone. pany, including towing eye, telescopic jockey wheel, over- about 43 cwt.

WHAT IS claimed to be a revo-

lutionary method of breaking up the deep layer of hard com-

pacted soil formed on land

been developed by Carl Kaelble, of Backnang, West Germany. It

is introduced to the United

Kingdom market by Tydactol

deep soil melioration system,

it is said to loosen and break

more than one metre without

burying the vital topsoil, as

often happens with conventional

Known as the Kaelble TLG 12.

Plant as sole agents.

deep ploughing.

with seven-pin plug for connection with the towing vehicle.

Immediate benefit is cost saving because the mobile silo can be easily transported from site to site. Its trailer conforms absolutely with all UK towing regulations and is fitted with towing eye, telescopic jockey wheel overrun brake and mandatory lights.

Fully self-contained, the unit can operate in minimum space and is compact for stowage and

transporting.
Standard features include telescopic jacking legs, heavy duty purpose-built chassis, 336tb Puliwey, chassis towing hitch, silo filler pipe with unicone tanker connection, silo access hatch, ladder with top safety hoop, standard filter sock and hand agitator fitted to the silo

The system is based on vibrat-

ing times drawn by a Kaelble bulldozer. As the times are

pulled through the soil they

If a time meets a boulder or layer of rock it lifts automatic-

ally until the obstruction is

cleared. When the unit is linked

to a rotary cultivator it is

claimed that the soil can be

loosened, harrowed and sown

Highgate, London N6 6JT (01-

Maximum towing weight is

of the topsoil.

Breaks up compacted soil

under intensive cultivation, or vibrate in a vertical direction, regularly traversed by heavy breaking up the compacted vehicles and machinery, has layer without changing the level

Asbestos removed safely

developed it is linked.

the end of its life is carried out contractors.

After the first stage primary BROCKS Multi-Beam Com- video-cassette, and computer; work is that the teacher can Bird Street, filtration, during which the munications Systems has been Data-Beam is claimed to be concentrate the students' attendants' (Lichfield majority of fibres are retained, set up by Brocks Group to unique in presenting display tion on one focal point on the be capable of pulling asbestos filter. This multi-stage unit, and other toxic substances from again totally enclosed within an

The seven stage centrifugal processing applications. Contaminated air, having blower of the plant is driven by passed through the skips, a 60 hp electric motor operating from a standard 80 amp,

The equipment weighs 4.5 tonnes, is 3.5 metres long, 2 metres wide and 2.5 metres high. It may be skid mounted or fitted with off-highway undergear and has been The machine automatically developed primarily for the de-dusts every four minutes company's own use. However, the latter says it will undertake does not have to be removed hire contracts with other on site; element replacement at reputable asbestos removal

Hygienic floor material

ENVIRONMENTAL conditions ing, then returned to the must be entirely clean and dust- Chiswick complex for distributhe Chiswick factory of linen hirers, Initial Services, says Roadcoat, Brookside; New Road, Ascot, Berks (03447 34553).

a 2 mm thick 4 epoxy resin floor at Initial's new distribu-

pregnated with Roadcoat's own vent-iree primer said to have 200d penetrating

A light industrial duty Roadcoat 4 epoxy resin coating was in soiled towels and garments thick floor which is easy to which are subsequently sent to clean and will withstand the the process plant for launder- passage of loaded trolleys.

including epoxies, polyesters, applications, incorporating a urethanes and others are safer machine for dispensing the and more reliable in ultimate resin together with information performance when processed via on which resin is best for the mixing, metering and dispensing machines. Many users have can meet user needs. already come to the realisation that some machines are better at dispensing certain resins than others. But in the past no supplier has been able to provide the user with both the machine for handling the resin and expert advice on the resin

Polymer Equipment has been

Since the passage of the Health and Safety at Work Act in 1974, concern has often been expressed over the safety of processing resins—particularly isocyanate based systems—and many users are looking at methods of automating production lines.

Metering, mixing and dispens-

for more than two hours under discounts on volume orders.

AN electrically driven vacuum in a special decontamination plant, designed specifically for chamber at the company's Big screen shows the details

ness or public information, screen. marketing, medical or technical

There are two product ranges: Advent Video-Beam and 7 ft (diagonal measurement) Electrohome Data-Beam. Video- sizes. Front or rear projection Beam gives colour and mono can be arranged.

POWER Keeps the water flowing

IN A REGION where summer full load.

temperatures can soar above

45 deg. C Qatar has one of the

estimated at 100 gallons per

day per household, as opposed

to the equivalent figure of 30

gallons per day for a European household—Qatar is investing

heavily in a water supply and

surface water, so drinking water

has to be obtained from desert

desalination plants at Ras Abu Fontas and Ras Abu Aboud.

When all eight distillers at Ras

Abu Fontas are in operation, the

combined output will be around

32m gallous a day—enough to

meet domestic and industrial

The distillate will be trans-

ferred by pipeline to newly

built reservoir complexes, where it will be blended with

well water, sterilised, and

pumped to elavated storage

tanks and water towers around

systems for this are to be sup-

and Signal Company and will utilise the company's Wesdac

data acquisition and control

mains electricity failures or

short-term transients, Chloride Standby is to supply a Transi-

pack computer grade static un-

interruptible power supply to

power the complete control

For maximum operational

security the complete Wesdac

telemetry system is duplicated,

including the computers (DEC

PDP11/34). Each system will be

powered by its own dedicated

ditioning, and in the event of a

centre system.

The computerised telemetry

wells and from massive seawater

The country has almost no

distribution system.

demand.

Doha.

camera, BBC or ITV television, for the system in instruction Dorset (02013 4641).

highest consumption rates of ation of the water supply and water in the world. To meet distribution system. It means

systems.

of Doha.

Power

Transipack UPS equipment, cate negative or positive which will provide mains con-polarity.

revelop and sell large-screen information directly from a large screen rather than on projector equipment for busi- a computer system on to a large individual visual display units. The curved screens, which synchronise with most screen instruction, public and domes- have reflecting surfaces, are

tic entertainment, and data- designed to give improved view- Brocks is prepared to design processing applications.

Brocks is prepared to design processing applications. are available in 5 ft, 6 ft and standard computer terminals

A practical advantage claimed

facility is vital to the safe oper-

William Street. Southampton,

S09 1XN. Telephone 0703 30611.

INSTRUMENTS

Has audible

ELECTROSTATIC LOCATOR

Called the Stati-Control 103,

it is preset to 50 v/cm (correct

for most static-sensitive device

applications) and is equipped

with an LED to indicate on/off.

Its clearly audible bleep is

triggered when the instrument

locates an electrostatic charge

and it can also be used to indi-

This portable, compact instru-

where required.

Full details from Brocks Multi - Beam Communications System, Fleets Lane, Poole,

COMPUTERS Getting the

exposure

the demand for drinking water that in the event of a prolonged power blackout, there is suffi-THE IDEA behind a purposecient time to shut down the built desk top printing calculasystem in an orderly manner. leaving plant in a safe conditor from Kodak to be made available in the UK in a few items representing the cream of months' time is to enable some 2.500 primary source The Chloride UPS systems are each rated at 10kVA. They conprocess camera users to consistsist of a rectifier/charger that ently obtain final printed press supplies the input power for the high reliability static inverter, and also float-charges the nickel results regardless of changing variables and without multiple

exposure tests. cadmium storage batteries. Each static inverter is con-Known as the Data Centre Q-700, the unit is essentially a Texas Instruments T159 calcunected to one of the computer lator and PC 100C silent printer When installed and commiswith a solid state software/ sioned, the computer control data module that can be centre and static UPS systems will be located in a newly built plugged in and magnetic strips. recorded from the keyboard, control centre on the outskirts that are used to enter particular Chloride Standby Systems, Ower Systems Division, shop variables.

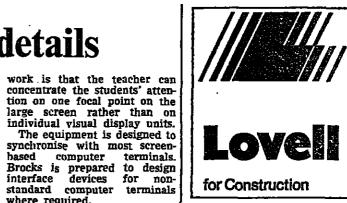
The module provides calculations for seven important photographic processes: copy scaling, filter selection, chemical mixing, dot area to density conversion, camera exposure adjustment, density exposure adjustment, and black and white half-tone negatives. Kodak claims that these seven

programs put graphic arts photography on a precise numerical control basis rather with built-in audible alarm is than an empirical one. After announced by Teknis, Teknis basic parameters have been set, House, Meadrow, Godalming, the unit always provides the surrey (Godalming 5432). Half-tone work can be closely

monitored for consistency; precise exposure and adjustments to improve poor copy can be easily calculated. Close control of tone reproduction by accurately placing the 50 per cent mid-tone dot takes a matter of seconds and eliminates the necessity for repeated test exposures and complex calcula-

ment will give 150 hours con-More from Kodak, PO Box 66, tinuous performance from two pen-light batteries and is avail- Station Road, Hemel Hempable in the UK at £39.50 with stead. Hertfordshire HP1 1JU

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• PUBLISHING

Data for innovators

A FORTNIGHTLY news bulletin has been introduced by the National Technical Information Service of the U.S. Department of Commerce which it is believed will be of benefit to all those concerned with the introduction of new products and the application of new technology.

novators, the bulletin selects documents gathered by the NTIS and entered into its machine-readable database every two weeks. Among the 20 or so new items

Entitled Information for In-

reported in each edition will be developments in energy, transport, communications, culture, materials, electronics, computers and many other areas. The data is not restricted to U.S. Sources.

More from NTIS P.O. Box 3, Newman Lane, Alton, Hampshire GU34 2PG.



Awards for safety

up compacted soil to a depth of simultaneously.

OPEN TO any organisation working in building and civil Engineering Contractors. engineering construction within the UK are Contract Journal Safety Awards sponsored by winning organisation for a year) IPC Building and Contract and a plaque, to be held as a Journals in co-operation with the National Federation of Building Trades Employers and

 By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasis.

the Federation of Civil Awards will consists of a trophy (to be retained by the permadent record of achievement. A plaque and prize will also be presented to the safety officer of person supervising safety within the organisation. Entry forms from Contract

Surrey House, 1 Throwley Way, Sutton, Surrey. . Closing date for receipt of entries is September 1.

Journal Safety Awards Scheme.

critical asbestos removal work depot. The unit is stated to work areas up to 100 metres easily removed filter unit, distant and depositing the waste ensures that exhausted air into vacuum tight skips to which leaving the system is safe.

enters the machine's filtration system, the first stage of which 3-phase 415v supply. is a large area primary filter. The equipment w This filter does not have to be removed for clearing and it automatically "de-dusts" and recirculates the dust back into

the sealed skips. without stopping and the filter

free to satisfy regulations laid tion.
down by the Health and Safety
at Work Act, and meet the of the floor was mechanically stringent standards in force at ground, blown clean, then im-

Latter company has just laid characteristics. tion and service depot where 60 then trowel applied to form a staff including drivers, check smooth, impermeable 2 mm

• PROCESSING

Advice for resin users

Details from the UK agent, Tydactol Group, 2 Fitzroy Close,

> set up by Donald Macpherson ing machines minimise the Group to do just that. It pro- health hazards associated with poses to offer a range of resin- resin handling by eliminating handling machines from a skin contact, confining fumes, number of different manufac- and in addition reducing turers, plus expert advice on material wastage and "cleanwhich machines to use for up" time. different resins.

A number of different tried Place, Kettering, Northants puter and associated equipment and tested packages will be NN16 8SP. 0536 519800.

MULTI-PART resin systems, made available for particular plied by Westinghouse Brake

complete mains failure will continue to provide uninterrupted Polymer Equipment, Crispin AC power for the on-line com-

COMMUNICATIONS

LOMBARD

Counter-advice: a growth industry

BY ANTHONY HARRIS

want light on what is happening to the real economy, you should tension. The issue here is not ask the Bank of England, but if expenditure, but management, you want to understand the workings of the monetary economy, the Treasury has the hest model. Most jokes of this kind need to be taken with a generous spoon of salt, and should not on the whole be repeated to those directly involved. Somehow they seldom find them funny.

then, that I brought this up with

Arguments

argument-and then you need advice on how to counter the arguments coming from the other side. So we spend a lot of time on our financial model, and they spend a lot of time on the

This is one of those arguments which sounds perfectly reasonable until you think about it: but when you realise how unreasonable it is, it suddenly acquires a considerable power to explain things.

If this is a generalised game throughout Whitehall—and I hastily disclaim any knowledge outside my own field-it might be quite an effective way to cut public expenditure. The defence experts at the Foreign Office would be able to prove and equipment disposals proposed by the worried foreign policy analysts at the Ministry of Defence, while the transport economists at the Department of the Environment satirised the road developments thought strategically necessary by the out it would actually help. Ministry of Transport's fore-

However, in matters of fiscal stick to your last.

BBC 1

† Indicates programme

6.40-7.55 am Open University (Ultra high frequency only). 10.30

Royal Celebration: In honour of

the 80th Birthday of HM Queen Elizabeth The Queen Mother.

Trumton, 1.45 Cricket: Third Test—England v West Indies.

4.13 Regional News for England (except London). 4.15 Play School (as BBC2 11.00 am). 4.40

Battle of the Planets. 5.00 John

Craven's Newsround. 5.10 Ask

5.40 Evening News. 5.55 Nationwide (London and

ACROSS

1 Passed on wonderful (3, 2,

10 Palindromic woman (5)

13 Breakfast cook comes

14 Doctor sick of routine (5)

19 A lot fewer go blind (9) Lead heals another way

beaten on the outside (9)

22 Smaller particle inside beast

25 Permit number one to return

28 Share out endless proportion

29 19 creatures detailed by Mrs. Farmer (5, 5, 4)

DOWN 2 Employee answerable to

Heather (9)

6 Enth.

strong feeling (7) 27 Officer to find place together

12.55-1.10 pm Midday News. 1.30 follows:

IT IS an old joke among and monetary policy, I am not economic forecasters that if you so sure that the system leads to what could be called creative tension. The issue here is not and experience suggests that as more and more economists have been recruited, the system has hecome intellectually muscle-bound. One odd result has been restore the freedom of Ministers to make policy, a natural result where every piece

of official advice can readily nd them funny. be neutralised with counter-It was with some trepidation, advice. In democratic terms, this is no doubt a good thing. a Treasury official recently, and and even the civil servants con-I was surprised as well as cerned seem to find it rather relieved when he responded refreshing. However, what with the best of good humour. policy may have gained in terms of strong central direction it does sometimes seem to have

lost in technical finesse. "It's what you ought to It is easy enough to imagine expect, really." he explained, how some of the major policy "After all, the time you really errors of the present Govern-It is easy enough to imagine need your house experts is ment have come about—though when you are involved in an what follows, I should stress, is what follows. I should stress, is pure fiction. The Chancellor, newly installed and preparing a Budget in a hurry, would in his innocence tend to turn to the apparently relevant experts for

Manifesto

Does Threadneedle Street requirement.

Meanwhile, down the corridor, you let me have a note on what raising prices through VAT will do to the effect of our monetary targets? Of course, Sir: we've just finished some interesting work on the corporate sector's cash flow, and it turns

And so it continues, no doubt. casters or future population I have just learned of a pro-movements. Certainly the found study in the Bank of the Treasury's public expenditure real cost of servicing fixeddivision has always boasted a coupon gilts on various inflation strong line in counter-expertise, assumptions. But what about whose memoranda on subjects the monetary cost, and its im-like Concorde would restore the plications for inflation? Not a reputation of the Civil Service word. Counter-intelligence is for sound judgment were they all very romantic, but there is seasons ago, have recently still a good old saying: cobbler.

Dove" starring Joseph

International Horse Show

9.30 The Wooldridge View. 0.30 Sports Special: Royal

11.55 Weather/Regional News.

1.45 pm Heads and Tails. 5.10-5.40

Yr Awr Face. 5.55-6.20 Wales To-

day. 7.20 Heddiw. 7.40 Arall Fyd. 8.10-9.00 Baseball: Wales v England (highlights). 11.55 News

Scotland-9.30 am Noah and

Nelly. 9.35 Jackanory. 9.50 The Perils of Penelope Pitstop. 10.10-

8 Drew doe somehow given

9 Threaten mischief over tip

18 Down to earth about a lean-

ing towards first century (9) 19 Allowed like this to beg (7)

23 Canny worker maintaining

for silence (5) 26 Push off in one direction

Solution to puzzle No. 4,321

with stuff (5)

the mechanical revolution

everybody follow call

widow's share (7)

and Weather for Wales.

F.T. CROSSWORD PUZZLE No. 4,322

17

11 Not many join powerful 15 Left one article a number majority (6, 3) would call flexible (9)

majority (6, 3)

12 Somebody talking about you hearing distance? (7)

would call flexible (9)

She pays in becoming eternally laborious (9)

16 Roused by one Rolls-Royce 21 Workman willing to transfer

(4, 2)

(5)

Dry types from the Danube THE AUSTRIAN wine regions are broadly divided in two by the Danube: to the north, in However, unlike, for example.

Lower Austria, the steeply Muscadet a wine not dissimilar terraced Wachau and the exten- in style, it can improve with sive, rolling vineyards of the Weinviertel: to the south the age in bottle, and shed some of its greenness. A '73 Spatiese that I sampled in a Wachau large area of the Burgenland and the tiny, split-up districts of Styria. cellars had certainly developed more colour, flavour and round-To these must be added ness, while still very dry. Gumpoldskirchen, for though

The next most planted vine is the Müller-Thurgau. Then comes the Welsch or Italian administratively it is part of Lower Austria, viticulturally it Riesling, which in fact is not a Riesling at all, but in Austria can produce excellent wines, Then must be mentioned the few hundred hectares of vines particularly among the astonishfind their way to the taverns in ingly luscious Burgenlanders. Many of the grapes employed in Germany will be found in Austria too, notably the Weiss-burgunder (Pinot Blanc), Trathe city suburbs. Nearly always sold very young, they are of more interest for the ambience in which they are quaffed than miner, Muscat and Rhine Ries-The reds usually come In writing here first about the northern wines, it is from the Blauer Portugieser necessary initially to mention the grape varieties grown not and Blaufränkisch, which make wines acceptable in a white

wine country but not of great

country, for with some excep-tions they are much the same. character. Of the white grapes there is Eighty-five per cent of Austrian wine is white, and the basic variety, native to the country, is the Grüner-Veltliner which accounts for about one-third of total production, and typifies tiny proportion of total output. recently have become fashionwine-knowledgeable Austrians able among weight-watching are 73, 75 and 77, while it is
nearly all prefer Riesling wines
above the others, and in my

This marked dryness applies

The new trocked wines that 71s. Other good recent vintages
for all Lower Austria whites
are 73, 75 and 77, while it is
suggested that 79 may turn out
above the others, and in my

This marked dryness applies

The new trocked wines that 71s. Other good recent vintages
are 71s. Other good recent As its name rather implies it provides a fresh, rather green wine, with a smoky aroma described to me as a "cigar experience, the best are pronose.' It is markedly pale in duced by a small number of the blended wines, where some colour, as indeed are most young Austrian whites, has a

Folkestone demands experience

Spitz, some way downstream always sold as such) will be improve with some bottle age, from the splendid abbey of "natural," and sophisticated but not much can be expected Melk, and finish within sight of Austrian amateurs enjoy their of the poor 78s, plentiful just another monastery, the even elegance and look down on more dominating Göttweig, equivalent quality German opposite Krems, and which itself wines that have been sweetened produces a good Riesling in its with unfermented grape juice own vinevards.

Krems itself is just, outside the Wachau, and so is Langen-lois, a few miles to the north. where in rolling country rises the large hill of Heiligenstein. whose granitic terraces are eminently suitable for the

(suss-reserve). This somewhat severe style is considerably softened if the wines are allowed time to deve-lop, but Austrians like their wines young and fresh, and the growers, for obvious financial reasons, sell nearly all their

Riesling. stocks within a year or so of the The most distinctive feature vintage. Yet it is generally of all fine Austrian white wines agreed that the Riesling needs

WINE BY EDMUND PENNING-ROWSELL

austerity. Those coming to such wines f the white grapes there is may have to as it were, adjust can be even finer, with a deli-doubt that the Riesling their palates. For although the cious bouquet, and a roundness (Rhine Riesling) produces the grape varieties and even the best dry wine, although on shape of the bottle may suggest account of its preference for that they are similar to German poor, stony soil and its relatively wines, this is not so except for clous single-vineyard '69s and low yield, it represents only a the new trocken wines that 71s. Other good recent vintages low yield, it represents only a the new trocken wines that

less to the lower quality and to is allowed to do so.

is that they are completly fer- up to six years to mature, and mented cut, and so are dry, one distinguished Wachau sometimes to the point of grower said that to be at its best austerity.

a Riesling should be at least a Spailese. The Auslese Rieslings found at Kabinet level.

On the spot I drank some deli-

All the other wines made from dedicated producers on the sugar is retained or added, but white grapes, including the Wachau terraces that begin at wines of Kabinett level (not Grüner-Veltliner and Traminer,

but not much can be expected

now in the country.

The wines in and near the Wachau are Austrian aristocrats. but excellent medium and lowpriced wines are made in the Weinviertel that stretches from the Danube to the Czech frontier.

There are two main districts: Retz and Falkenstein. The former is notable for its Gruner-Veltliners, the latter devotes a lot of vineyard area to the Welsch-Riesling, though a wide variety of grape varieties are employed in both, and Retz is now increasingly planting black grapes, so that within a few years hence it will become a 50 per cent red wine area.

In these bare, downland-like top quality wines, but they account for one-third of Austria's total wine area of 56,000 ha. For the most part they are what the Germans call that they are sugared, quite which will then be stopped in at consumer level especially in order to retain some marginal some restaurants. Where he had been as the surplus of wine in these parts. I arouse the stopped in at consumer level especially in a consumer level especially in the second of the stopped in at consumer level especially in a consumer level especially in a consumer level especially in at consumer level especially in a consumer level especially in a consumer level especially in at consumer level especially in a consumer level especially esp legally, at the fermentation. these parts, largely as a result of over-planting. Most of the found in the celebrated wellow growers sell direct to the con- of Vienna, among them the sumers and to restaurants, Esterhazy and the Albertina although a good deal of wine is made by the co-operatives.

the numerous wine villages is keller-gasse, a cellar lane on each side of which cottage like frontages lead to cellars dug into the sandy hillsides, almost as if they were rabbit burrows.
A single village may consin
200 of these and the tharming
town of Retz, home of an inportant wine school, covers ten miles of cellars dating back-to

the Middle Ages.

The best foreign customer for these Weinviertel wines is Germany, but there should be a market for them in Britain now, especially in view of the tren towards dry white wines. Judg ing by prices given me they are not expensive; although, or course costly overland transpart, would only be economical for

large quantities. For the top quality dry wine vineyards one does not look for it may be necessary to search them out in Austria itself, for the wines of the specialis producers are much soughtained by private and restaurant clients. Ex-cellars they are not "quality" wines, which means at all expensive, but with the cost they do not look so cheso excellent open wines can be A further article will deal with the wine districts in the

An extraordinary feature of southern half of the country.

think that we can finance the borrowing requirement which will result if I go ahead and cut taxes, as per manifesto? Funns you should ask that. Chancellor. Our Mr. Taylor and Mr. Threadgold have just drafted a paper showing that if you do proper inflation accounting, there's no such thing as the borrowing

6.20 Nationwide.

Bottoms,

9.00 News.

easiest course in the country to ride, and the more experiwho completed a hat-trick on enced of the 15 amateurs com- his final outing of 1977, Rose peting in the Friends of Track will be as well suited Folkestone Amateur Riders as any by further rain. Handicap will be at a notable

Handy Dancer, who makes the Two of the most accomplished opened his account in emphatic rity. style at nearby Brighton on mount stayed on far too strongly for Leporello in the Lewes Stakes. A progressive and lightly raced filly by Green God out of the two-year-old winner, Miss Golightly, Handy Dancer is preferred to Rose

> With Ian Balding's good apprentice, S. Pavne, able to claim all but 2 lbs in weight of his 7 lbs allowance, Bon Voyage has a bright opportunity of notching a double with a win in the Lyminge

> > (highlights).

with Reginald Bonsaquet.

All IBA Regions as London

except at the following times:

ANGLIA

12.30 pm Against the Wind. 1.20
Anglia News. 2.00 Houseparty. 2.25
Chopper Squad. 3.20 Doctor Down
Under. 6.00 About Anglia. 7.00
Enterprise. 7.30 Charlie's Angels.

11.30 Rush. 12.30 am Christians In

ATV

A I V
12.30 pm Against the Wind. 1.20
ATV Newsdesk. 2.45 Alter Julius. 4.15
Madeline. 5.15 Survival. 6.00 ATV
Foday. 7.00 Emmerdate Farm. 7.30
A Man Called Stoane. 11.30 ATV
Newsdesk. 11.35 S.W.A.T.

BORDER

1.20 pm Border News. 5.15 Alright Now. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 7.30 Charlie's Angels.

11.30 Dan August. 12.25 am Border

CHANNEL

12.30 pm Against the Wind. 1.20 Channel Lunchtime News. What's On Where and Weather. 5.15 Spiderman. 6.00 Report At Six. 7.00 Al Oeming—Man of the North. 7.30 The Incredible Hulk. 10.28 Channel Late News. 11.30 Kiz. 12.25 am Commentaires et Previous Materophogueus.

GRAMPIAN

9.25 am First Thing. 12.20 pm
Assinst the Wind 1.20 North News.
6.00 North News and Area Weather
Forecast 6.15 Fanlace. 7.00 Tuesday
Comedy: "Mutney on the Buses."
starring Reg Varney, Dons Hare and
Michael Robbins. 11.30 Reflections.
11.35 The Streets of San Franciaco
12.30 am North Headlines.

GRANADA

visions Meteorologiques.

FOLKESTONE is not the Lodge after just one outing Handicap carrying 7 st 2 lbs. The last season. A sturdy gelding Kingsclere filly, a close third of 11 runners on this course 11 months ago, is another to have broken her duck recently. An hour after Handy Dancer won Brighton's Lewis Stakes by short trip from Guy Harwood's three lengths Bon Voyage Pulborough stable which picks landed the Montpelier Stakes up so many minor prizes here, there with even more autho-

> Sir Mark Prescott, attempting June 24. There Hutchinson's to beat Nagwa's record of 13 wins in a season with Spin-drifter, looks to have found the right opportunity for Ultra John Baillie's High Line filly is a reasonably confident choice for the Faversham Stakes.

> > FOLKESTONE 1.45---Bon Voyage^a PONTEFRACT LOO-Sunion

2.45—Handy Dancer** 4.15—Ultra Vires***

5.00-Mirthful

6.90 Report West. 6.30 The Tuesday Movie: The Battle of the River Plate." 11.30 What's on Nest?

HTV CYMRU/WALES - As HTV West/HTV CYMRU/WALES — As HTV
West/HTV General Service axcept:
10.00-10.10 am Fislabalam. 1.20 pm
Penswdau Newyddion y Dydd. 1.251.30 Report Wales Headlines. 4.15-4.35
Sbardun. 6.00 Y Dydd. 6.15-6.30
Report Wales. 10.30 Bywyd. 11.15
Watld in Action. 11.45-12.15 What's

SCOTTISH

eye. 5.20 Crossrcads. 6.00 Scotland Today and High Summer Extra. 5.30 The Steve Jones Programme 7.00 Survival. 7.30 240 Robert. 11.30 Late Call. 11.35 Barney Miller.

SOUTHERN

12.30 pm Against the Wind. 1.20 Southern News 2.00 Houseparty. 2.25 "The Deadly Game" starring Andy Griffith. 5.15 The Undersea Adventures of Captein Nemo. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm. 7.30 A Men Called Stoane. 11.30 Enterprise.

TYNE TEES

9.20 am The Good Word followed by North East News. 7:20 pm North East News and Lookaround. 5.15 The Elec-tric Theatre Show. 6:00 North East News. 6:02 Crossroads. 6:25 Northern Life. 7:00 Emmerdale Farm. 7:30 Charlie's Angels. 10.30 North Eas News. 11.30 Kate Loves a Mystery 12.30 am Music for God.

ULSTER

1.20 pm Ulster Television News.
1.25 Cartoon Time. 4.13 Ulster News.
Headlines. 5.15 Cartoon Time. 5.20
Crossroads 6.00 Ulster Television News. 6.05 The Odd Couple. 6.30
Bygones. 7.00 Emmerdale Farm. 7.30
A Men Celled Sloane. 10.29 Ulster Weather 11.30 News at Bedtime. WESTWARD

1.20 pm Westward News Headlines 5.12 Gus Honeybun's Birthdays, 5.15 Spiderman, 6.00 Westward Diary, 7.00 Miss Westward 1980, 7.30 The Incredible Hulk. 10.31 Wostward Late News. 11.30 Kaz. 12.25 am Faith for Lilo. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.45 Calendar Tuesday. 5.16 Father, Dear Father. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 11.30 The Dudley Moora Show.

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Jo Sat 2 pm 6 7.30 Engine Variations-Song of the Earth, 55 Amphi seats
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RACING BY DOMINIC WIGAN

Franca Vittadini and Ray Hutchinson, whose respective mounts, Rose Track and Handy Dancer, have the form to merit

advantage over the remainder.

amateurs in action here are

belongs to the southern sector.

around Vienna, which mostly

for any special distinction.

only there but throughout the

Austrian wine.

Rose Track, a useful performer when trained by Vitta-dini's close friend and fellow countryman, Luca Cumani, two made the short trip to James

Toller's nearby Wellbottom 10.30 Take Hart. 1.30 pm Scottish 7.00 "Destination Inner Space" 6.50 Royal Celebration (edited News. 1.25-1.45 The House that recording).

7.20 The Tuesday Film: "The Scotland. 11.55 pm News and starring Scott Brady. Eighty Gracious Years

9.00 Love Among the Artists. Weather for Scotland Northern Ireland-4.13-4.15 pm 10.30 Only in America. Northern Ireland News. 5.55-6.20 11.30 The New Avengers. Scene Around Six. 12.25 am Close: Personal choice

England-5.55-6.20 pm Look and International Athletics from Oslo.

Weather/Regional News.

East (Norwich); Look North(Leeds, Newcastle); Look Northwest (Manchester); Midlands To-All Regions as BBC1 except as (Bristel); South Today (South-ampton); Spotlight South West BBC CYMRU/WALES-1.30 (Plymouth).

BBC 2

6.40-7.55 am Open University. 11.00 Playschoof. 11.25-1.00 and 3.55-6.05 Cricket— Third Test: England v

West Indies. 6.05 Open University. 6.55 Dallas.

7.45 Mid-Evening News, 1ncluding sub-titles.
8.09 Out of Court 8.35 My Music. 9.00 Spike Milligan in Q9.

9.30 The Enigma Files.
10.20 Rughy Special: South
Africa v The British Isles (highlights of the Fourth

11.35 Cricket: Third Test, highlights.

9.30 am Wilkle on Water, 10.00 Cockleshell Bay. 10.10 Pipkins.

5.45 News.

10.30 Eighty Gracious Years: The Service of Thanksgiving at St. Paul's Cathedral celebrating the 80th birthday of the Queen Mother, 12.30 pm The Sullivans. i.00 News, plus FT Index, 1.20 Thames News. 1.30 Crown Court. 2.00 Afternoon Plus. 2.45 General

6.00 Thames News. 6.35 Crossroads.

LONDON

Hospital. 3.45 Tell Me Another. 4.15 pm Under the Same Sun. 4.45 Extraordinary. 5.15 Emmerdale Farm.

Radio Wavelengths

3 1215kHz/247m

200kHz/1500m

693kHz/433m 909kHz/330m & 88-91vhf stereo

(S) Stereophonic broadcast

Medium wave

5.00 am As Radio 2. 7.00 Dave Lee
Travis. 9.00 Simon Bates. 11.00 Mike
Radio 1 Roadshow

12.30 pm Newsbeat 12.45 Paul
Burnett. 2.00 Andy Peebles. 4.31
Peter Powell. 7.00 Personal Call. 9.00

Mike Brill. 9.50 Newsbeat. 10.00 John
Peel (S) 12.00-5.00 am As Radio 2.

RADIO 1

RADIO 2

12.30 pm Against the Wind. 1.20 Granada Reports 4.15 The Undersea Adventures of Captain Nemo. 6.00 Granada Reports 6.35 Emmerdale Farm. 7.05 Tuesday Pramiere: Ernest Borgning in "Future Cop." 11.30 Fireside Theatre.

1.20 pm Report West Headlines. 5.15 Poor Little Witch Girl. 5.20 Crossroads.

BBC Radio London 1458kHz, 206m & 94.9vhf & 90-92.5vht stereo

London Broadcasting: 1151kHz, 261m & 97.3vhf

1.30 Lunchtime scoreboard. 5.30 Boccherini, 7.00 BBC Scorush Sym-

Continents (also on vhl). 1 25 News,

Baccherini. 7.00 BBC Scottush Symphony Orchestre (S). 8.00 The Licence by Pavel Kohout (play). 8.55 Violin and Piano recital (S). 9.30 Marcel Dupre (talk). 10.00 Collegium Aureum (S). 10.40 The English Ayre (S). 11.00 News. 11.05-11.15 Czerny.

VHF—with Medium Wave above accept as follows: 6.00-7.00 am Open University 10.55 Parikian-Fleming-Roberts Trio (S). 11.50 Music for Guitar (S). 12.20 pm Swansea Bach Week 1980, part 1 (S). 1.00 News. 1.05 Six Continents (with Medium Wave). 1.25 Concert, part 2 (S). 2.10 Images of Debusay (S). 2.55 A Recital by Jessye Norman (S) including 3.35-3.40 Interval Reading. 4.25 Jezz Today (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.20-7.00 Open University. RADIO 4

RADIO 4
5.00 am Naws Briefing. 6.10 Farming Today. 6.25 Shipping Forecest.
6.30 Today, including 6.45 Prayer for the Day, 7.0, 8.0 Today's Naws, 7.30, 8.30 Naws Headlines. 7.45 Fhought for the Day, 8.35 Yesterday in Parliament. 9.00 Naws. 9.05 Tuesday Coll.
10.00 Naws. 10.02 Modicine Now.
10.30 Story Time. 10.45 Tribute to a Quoen (5) 12.30 pm You and Yours.
1 00 The World at One. 1.40 The Archara. 1.55 Shipping Forecast 2.00
10. 3.02 Listen with, Mather. 3.15

A 10 Scott Joplin — a genius re-dis-covered (The life and work of the American ragtime composer). 4.40 Announcements. 4.45 Short Stary. American ragtime composer). 4.40.
Announcements. 4.45 Short Story.
5.00 PM. News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Detective. 7.00 News. 7.05 The Archers. 7.20 The Discovery of the Pulsar. 8.05 On the Train to New Zealend 8.20 A Musical Evening with Osian Ellis.
9.05 In Touch (Report on the Out Pelients Departments at Moorhelds Eye Hospital). 9.30 Kaleidoscope. 9.59 Wasther. 10.00 The World Tonight. 10.30 Origins: The Burnel of China's First Emperor. 11.00 A Book at 8nd-time. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

5.00 am As Radio 2 6.30 Rush Hour.
10.03 The Robbie Vincent Telephone
Programme. 1.93 pm London Live.
4.30 Landon News Desk. 5.35 Look.
Stop, Listen. 7.03 Black Londoners.
8.00 Question Time from the House of
Commons. 9.00-5.00 am Join Radio 2. London Broadcasting 6.00 am AM: Bob Holness and Douglag Cameron. 10.00 Brian Hayes. 12.00 IBC Reports. 8.00 pm After Eight. 9.00 Mike Dickin—Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

BBC Radio London

Capital Radio 5.00 am Mike Smith's Breakfast Show (S), 9.00 Michael Aspel (S), 12.00 Mike Allen (S), 1.00 pm London Today First Report (S), 1.10 Mike Allen (continued), 3.00 pm Roger Scott (S), 7.00 London Today (S), 7.30 Adrien Lova's Open Line (S), 9.00 Nicky Horna (S), 11.00 Tony Mysti's Late Show (S), 200 am Robe Myatt's Late Show (S) 2.00 am Night

RADIO 2
5.00 News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm Ray Moore (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 6.03 John Dunn (S). 8.02 Houray For Hollywood. 9.02 Glamorous Nights (S). 9.55 Sports Desk. 10.02 Vanery Club starring Diese Solomon. 11.02 Sports Desk. 11.05 Brien Matthew with Round Midnight, including 12.00 News 2.02-5.00 am You and the Night and the Music (S). COMVEY MATRICES
O O D R M E R A
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OFFISIONES 3 Sex-appeal drawing double-RADIO 3 blank on speed indicator (5) 6.55 am Westher. 7.00 News. 7.05
Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 8.05 Morning Concert (S). 9.00 News. 8.05 Morning Concert (S). 9.35 Louis Philippe Pelletter (S). 9.35 Louis Philippe Pelletter (S). 10.20 Mozert's "Impiler of The Carekar Third Test England 4 See how long board takes to produce programme (9) 3 Bar one Pole received (5): ·· Ily testate (4, 1,

بهكاانمانده

Riverside Studios

Scrape off the Black

This moving one act play by conversations between Rose and Tunde Ikoli is a scene-painting exercise, not a developing story, and the scene it paints is one Trevor, though he is a bit casual that we may find harrowing about things like work, is old today but will have to live with fashioned enough to believe that tomorrow. Its four characters are Rose, her neighbour Mary, and her two illegitimate children by an absence black

resignation by Mary Macleod, put her children into a home when their father went to prison and left them there for 12 years, until they were old enough to go out to work. Though she expects conventional love from them, in fact she cares about nothing but her thrice-daily bingo sessions. She regards black men as little better than savages ("that's how they are" is a constant refrain in her chat with Mary); she distrusts Pakistanis; but on the other hand, she scorns the idea of living with a white man. Of her two sons, Andy, the elder (Okon Jones) has become a habitual criminal, rather to her relief. When he's inside, "I don't have to worry about phone calls saying he's lying in a gutter in the West End" nonetheless, she expects him to pay his respects when he

Last time he came out of borstal he came straight here." "You must have been proud," The play consists mostly of this public. S. A. YOUNG

Wigmore Hall

emphatic text concerned with desired) against the pianist's

and Poulenc. provide a complement in the all Eluard. Felicity Palmer's Spanish second half. But interpretation of it duly put us though, like Turina, he was at a further remove. She not really attempting to pene applied too much force and trate the essence of the Spanish gusto, I thought, to poems that spirit-what Graham Johnson in his spoken introduction called "insider's Spain, as ex-sed by the Austrian Hugo Wolf in his Spanisches Lieder short notice and gave a buch—neither do these settings creditable account of Britten's Winter Words. As regards the winter words of Graham "Tempo di Bolero" for ex Johnson's preambles, it should exoticism. Schumann's writing he was an ornithologist is but closely approaches Brahms's; it slenderly relevant information

tenor is the most poignant of

her younger son Trevor, beautifully played by Brian Bovell. there should be love between mothers and sons, and he devotes his time to doing small favours for his own mother, asking little in return but an Rose, played with heartless occasional eigarefte or cup of tea. Rose accepts his favours with a total lack of gratitude, and at the end of the single day covered by the play she only wants to get him out of her home and back to his, which he has neglected all day for her benefit. The observation and the writing, which is in standard East End Cockney, are detailed and true, and the point made

about the isolated position of half caste children, neither black nor white, is one we must try to understand. The direction by Peter Gill is impeccable. against a bare but evocative scene by Alison Chitty, who also designed the simple and colourful set for One Fine Day which I saw at the same house last

Spike Milligan writes to tell me that the music-hall jokes that I thought spoilt his version of Ubu in the spring were none of his doing, and because I have admired him so much and so

Songmakers

The outstanding delight of them, and was well sung by Sunday evening's second Song Felicity Palmer and Kenneth makers summer programme was Bowen, though the rapt plane Ann Murray's performance of accompaniment was less than the infrequently heard Corazón fastidiously handled by Mr. de mujer (A woman's heart) by Johnson. All four of the Joaquín Turina, a contemporary required voices came together Joaquin Turina, a contemporary required voices came together of Falla: It is a cantata-like with particular clan in the setting of a single, passionately finale, to confirm the basically even-tempered tone of the work the anguish and the splendours The Peulenc cycle, Tel Jour of true woman's love, the Telle Nuit, was preposterously vocalist making her ravishingly announced by Mr. Johnson as inflected utterance (and Miss the real successor to Winter-Murray left nothing to be reise and Dichterliebe in place of works by Debussy or Fauré background of lightly etched or whoever. (Schoenberg's Spanish dance. The work's Buch der hängenden Görten—technical and emotional which the Songmakers might straightforwardness - was the consider taking up—surely more surprisingly impressive in earns that distinction?) It was the context of relatively shown to be music of sensitivity sophisticated cycles by Britten and bitter-sweet charm but coming nowhere near to an Schumann's Spanisches Lie adequate interpretation of the derspiel op 74 did, it is true, complex, opaque text by Paul provide a complement in the all. Eluard. Felicity Palmer's

need to be wooed for their Kenneth Bowen stood in for far from any be said here that the fact that acknowledges the practical when listening to "Proud limitations of the Victorian songsters" and the suggestion drawing room. The cycle contains fine things however; No. 4. ber "has an ecological implication in the suggestion of the proof of soprano and tion is positively wrong.



Saturday evening's concert in constructivist is never very conthe Wigmore Hall, given by the combined forces of the Couli Brahms's Sextet op. 18 and Bochmann Quartets, served demands more careful cultivative coaching of Sidney Griller. by an established quartet with Both groups passed through Both groups passed through Mr. Griller's guiding hands for the occasion rather than as while at the Royal Academy of probably happened here Music; the Coul, formed in —though the programme did not 1974, is the senior by two years. supply personnel details with Both are now confident, trios from each of the two efficient quartets. But whether quartets. at this stage of their develop. As it was, the performance ment they are ready to tackle larger pieces, when much of way too obviously, particularly the quartet repertoire has still in the scherzo; balance between to be thoroughly absorbed, is a the lower instruments was

moot point.

Shostakovich's Octet op. 11 lyrical episodes that ventilate needs little beyond the Brahms's generally unrelenting enthuslastic and precise playing textures were not fully that the two groups provided; exploited.

but it remained a jejeune, unMendelssohn's Octet, which pleasant work, combining a short-winded prelade and much more suited to the com-gratuitously ugly scherzo: bined talents.

Shostakovich as self-conscious ANDREW CLEMENTS

As it was, the performance was unduly cautious, feeling its

completed the programme, was



Kenwood Gallery

Gaspard Dughet by DAVID PIPER

"One of the most underrated of the pictures shown, is that artists in the history of paint-Gaspar alias Gaspar Poussin alias Le Guaspre, more than 30 years ago, but the exhibition now at Kenwood (till September 28; daily, 10 am-7 pm) is I think his first one-man show of any scale since his death 300 years ago. It was a happy choice to get Denys Sutton to open it, for he first started serious enquiry into the chronology of Dughet's work. Perhaps as much as or more than any foreign painter, including arguably even his contemporary Claude, Dughet is a father figure of English landscape painting, and likewise of a particularly English view of landscape making, of nature handshaped into great parks of the picturesque or the sublime.

His present relative lack of popular recognition is due to several factors. One is the confusion with Nicholas Poussin, whose brother-in-law he was, in whose studio in Rome he worked for a time, and whose surname he adopted. This confusion is sometimes inextricable in 18th century references to "Poussin." Another reason is that, his work may seem at first glance to be N. Poussin and Claude amalgamated, with sometimes even a dash of "savage" Salvator Rosa thrown in, but lacking their unmistakeable individuality. Even his huge popularity all through the 18th century and beyond, 18th century and beyond, especially in Britain, can militate against his fame, by pro-

moting indifferent copies and pastiches in his manner, while after Constable and Turner the very idea of classical landscape catalogue observes, one of the most famous of Constable anecdotes was provoked in-directly by a Dughet landscape. Constable's patron, Sir George Beaumont, was painting a land-scape with a Dughet alongside as mentor, a brown Dughet "mellowed" with aged varnish. Whereupon Constable laid a violin, likewise brownly mellowed, on the green green grass the monograph (the first) on to demonstrate that nature was Dughet, by Marie-Nicole Boisnot synonomous with an Old clair, finally sees the light of

in the history of paint- while Dughet dirty is indeed a So Kenneth Clark des-drab thing, a good Dughet Gaspard Dughet alios cleaned is as fresh as English spring air after a shower.

This is an exhibition that will absorb the art historians, who can discuss in front of a representative range of the artist's whole career, the evolution and inter-relationship of the three style. They will be able to nod sagely over the question of the allocation to the young Dugbet, in the 1630s, of a group of pictures once ascribed to a celealways at Kenwood, restricts London the scope that a full exposition raisonnée would have (with comparative examples of originals by N. Poussin, Claude and so on). The exhibition is however, focused, other than on Dughet's own work, on his role in relation to early English landscape: to Wotton, first important native English land-scapist, and one who was noted by a contemporary about 1725 "having perfectly entered into the Manner" of Dughet "as to invention, design and colouring." Others include Lambert, sometimes seeming somewhat shackled by Dughet's example, but at other times inspired by it about his average quality; Richard Wilson, on occasions drawing on Dughet very literally, and over and over reflecting most happily his mood; Gainsborough even, in his more spectacular sublime landscapes. Borrowings developments, variations Dughet are shown in considerable variety. A generous representation of and incidentally to convey a clearer idea than some of the paintings themselves now do (the "darks" having sunk) of the original tonality, of space vibrant with air and light.

The catalogue, by Anne French, is an original, thoroughly researched and detailed contribution, and will remain so I am sure even when Master. Yet another reason for day. Mrs. French's analysis of a cascad neglect, brilliantly demonstrated in this exhibition by through the texture of British distance. the varying levels of cleaning landscape painting for two cenclassical

turies after his death in 1675, group, often with some specific that hitherto have been vague

generalisations. sheer pleasure for the eye of any layman who has an eye to brated anonimo, the Master of high over the dipping lawns the Silver Birch. Space, as and the lake and the vista of grounds may be judged Claudian specifically rather than Gaspardish, but I am sure Gaspar would have delighted in them, and even pitched tent here awhile to paint them (he took houses both at Frascati and at Tivoli, to be close to some of his most favourite subto open distance to the eye, let alone St. Paul's, but the new a blunt finger, some five miles of our own prescience, and Gaspard's lyric view of what pily demonstrated over and over peet the exhibition, with some 30 paintings by Dughet himself, and another 30-odd drawings and prints by or after him, is just about the right size to show prints by or after Dughet helps him at his best and at his full to demonstrate them strikingly, range. He was certainly overbut the quality and variety shown here is a tribute to the discrimination of those 18thcentury British collectors: all

> The typical Dughet composi-tion has a very Nicholas Poussinish serpentine entry, seen slightly from above, a winding road, a ravine or cleft, into the depth of the picture. will be a mood of water, a glint, a cascade. Trees or rocks further guiding the eye into In the foreground a

British collections still.

is an especially valuable section mythological allusion (the bringing precision to assertions figures indeed, as with Claude, are often the least satisfying elements). The underlying structure will be satisfactorily stable while less geometrically

But the exhibition's attraction is far from being only for implied than in N. Poussin, the scholar. As with almost all while only Claude in his the now extensive series of Kensupreme mastery was able to wood summer exhibitions, this paint the recession of azure one manages to promote a skies bathed in golden light as neglected or new scholarly something at once defined and theme while combining with it illimitable. usually a more hilly and irregular landscape as subject; see with. And, of course, all in his light is more often broken, that splendid Adam setting, so that (when his paint is seen pristine fresh from cleaning) his command of the fleeting beyond. Kenwood effect of light and shade, of air moving, enhances the lyrically arcadian mood. The colours the subtly varied green, the soft rust of ground, the blues of distance, are delectable to eyes accustomed to Constable even. He is less austere in mood than N. Poussin or Claude, but capable of effects of high Ironically, beyond the drama, becoming celebrated as lake, where the dark trees part father of the stormy landscape. His calmer subjects are indeed the focus proves alas, not to in the main tradition of classical elegiac landscape, but be a Wren spire dreaming there, into the evocation of impossibly Westminster Bank excrescence thrust against the heavens like happy dream of timeless areadian picnic he brings a very precise observation of the face away in the City. But that's and form of real nature. not Gaspard's fault, but a failure Dughet was discovered and bought, by the British grand tourists of the 18th-century, in should close such a vista is hap-Italy. More distant excursions in again within the show. I susthe following century, mostly by British artists, to Greece, Egypt, the Near East and as far as India, are vividly illustrated in Travellers, the latest in a long series of such exhibitions

re-established stars of the exotic like J. F. Lewis and David Roberts, to intriguing work by less luminaries. Edward Lear perhaps steals the show, includbut two paintings come from ing one of his rare colossal landscapes in oil, vast vision of Kanchenjunga no less, seen from Darjeeling.

through works by such recently

Cheltenham Music Festival

Singers Company/ Columbine

Theatre in Cheltenham, de-signed by the ubiquitous Frank Matcham, was opened as the Andalusian mischief but tall, Opera House at a time (1891) fair and willowy, sang with a when such an ambitious title was warmth, fleetness and delicacy thought desirable. Opera is not of ornament that were wholly a preponderant feature of the Music Festival, but this year the ling was David Fieldsend-building has justified the old agreeable tone, good presence. name with two performances each of Cost fan tutte and The each of Cost fan tutte and The Viscount doesn't mean you needn't bother to sing the formers were Peter Knapp's roulades properly. The presensingers Company formed to the Rostole of Rostole and Rosto Singers Company, formed to bring opera to a wider public and help young singers "establish themselves during the difficult years following full-time

These productions attracted attention when they were seen at the Riverside Studios in Hammersmith a year or two ago with, I think, slightly different casts. Now Mr. Knapp's ingenious notions as producer, which caused a ripple at the time, take second place to the musical side. The action of Cosi is transposed to an Oxford college in the early years of this century. Alfonso becomes a cynically misogynistic don, the young gentleman are his undergraduate pupils. Except for doubts concerning the social background of Flordiligi and Dorabella—no parents, no guardian, only the dubious Despina in attendance? -one forgets the joke after a few scenes.

Under Richard Hickox the company's small but choice orchestra plays (apart from some untidy recitatives in the second act) with sure and sensitive touch—unlike the con-temporary Theatre Royal at Nottingham, the Everyman has limpid acoustics. Rosalind Plowright's Flordiligi rises excitingly to her big moments—but in their wake has a tendency to become vague about pitch. The Dorabella of Eirian James, dramatically less forceful, is more evenly sung. The youthful - looking Ferrando Morton) (Richard Guglielmo (Andrew Knight) match their changing partners well, Mr. Knight's clear, accurate and musical line giving especial pleasure. Thomas Lawlor's Alfonso is wholly convincing even down to a huskiness suggesting port, wood fires and a damp climate.

Dughet chose

worked less well, while the at the Fine Art Society in New spoken dialogue, lengthier in right arm cut to and fro across Bond Street. The choice ranges effect than the original secco his private beam.

through works by such recently recitative. But once again, ex
Both Miss Christie's singing, cellent playing from the orchestra, this time under Nicholas her talents, and the playing of Cleobury. The big first-act the St. John's Smith Square finale was thin (and overproduced). Elsewhere the (to say nothing of Cowie's produced). Elsewhere the (to say nothing of Cowie's conductor's light, transparent music), deserved better than touch came as balm to this this inept and by now old hat much-punished score. Gordon Sandison's Figaro had

Everyman precision and snap enough for a much grander setting. Ann Mackay's Rosina, not a box of captivating. Her persistent lordbut being downgraded to a tation of Bartolo and his household as younger than usual reaped unexpected rewards in the engagingly malicious Berta of Susan Varley (a competent but conventional Despina on the previous evening). Miss Varley showed a degree of polish at present beyond Richard Suart's Bartolo or Richard Robson's con-man Basil.

The style of these productions implies a belief that the untapped public for opera lurking in places off the main touring map will be converted by the musical equivalent, more or less, of local rep. Given half a chance they might equally well prefer the things earnest people think they shouldn't—gilt and plush, big voices, dressing up. Two coffee-queue remarks I heard were (of Cosi) "I think I've seen this on telly" and (of The Barber) "I'd like less chat and more singing." Mozart was well attended but not full. Rossini drew only a moderate audience. Perhaps the com-pany's publicity should make it clearer that, whatever else, the public will get good musical value for money.

Edward Cowie's Columbine for soprano and instrumental ensemble, a festival commission first heard in the closing concert on Sunday, is an independent off-shoot of the opera Commedia noticed here after last year's premiere at Kassel. The words, by the composer, further explore the character of his heroine, the musical treatment is new. Though the means employed are infinitely slighter and one doesn't feel the same burning physical longing for the South, the result puts one agreeably in mind of Scolatella in Henze's König Hirsch. The performance, in the

Town Hall, was semi-stagedlights lowered and a spotlight With Rossini the updating on the singer. Nan Christie orked less well, while the was raised on a dais beyond the absence of a chorus (in the conductor and strikingly if opening scene, notably) and the irrelevantly dressed in bright vestigial setting mattered more. red. All this was a sad mistake. red. All this was a sad mistake. The period is the 1930s, with Not much of the text could be Almaviva an English lordling in heard and the word-sheets hot pursuit of a Rosina cooped obligingly distributed couldn't up at the reception desk of be read in the gloaming. The guardian Bartolo's Sevillian spot illuminated not only the hotel—Revolution is brewing singer but her huge score. and the couple finally escape Lamps near the piano and on with the aid of the British Navy. the conductor's desk shone at There is a lot of mildly funny the audience. The conductor's Both Miss Christie's singing,

method of presentation.
RONALD CRICHTON

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Festival Hall

Mahler by Andrew Clements

In concerts with several of At present, however, Mr. weight, though its initial pawky the London orchestras Andrew Davis's view of the symphony treatment was well managed. Davis is gradually working his is unlikely to win for it many reached the Seventh. Davis is not perhaps widely recognised yet as Mahlerian, but tackling the seventh symphony testifies to great dedication to the cause. It is certainly the least performed of the canon; nowadays it is probably heard less often than Deryck Cooke's completion of the Tenth, though some conductors, notably Klemperer and more recently Boulez, have ANDREW CLEMENTS | made a special point of it.

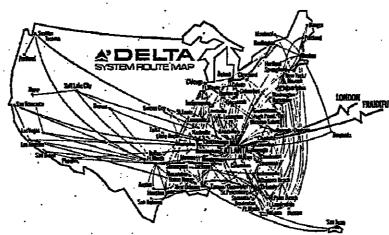
Davis is gradually working his is unlikely to win for it many way through the Mahler sym- new admirers. All the shortphonies. At the Festival Hall comings in the outer moveon Sunday evening, with the ments, enshrined in many esteemed central core, the scherzo and the framing noc-turnes, lacked immediacy and sometimes (unusually for the second theme-pulled about too much it loses all strength and character—and the cumulative effect of the final march lacked

finale as Kapellmeistermusik. In the most loving hands it can become something more than that, but as offered to us by Mr. London Symphony Orchestra, he studies of Mahler, were too Davis the condemnation seemed reached the Seventh Davis is clearly displayed; the more more than justified. The interlude, which appears to have strayed into the score from The Mikado, provides some light relief, but for once Mahler's LSO) polish. There are expressive control of banality moments in the first movement failed him, as it failed Sunday when the sixth symphony is night's performance. The brittle refracted, but Mr. Davis over sound world that Mr. Davis played the sentimentality of the extracted from the LSO was exactly right, but more firmness and less indulgence is needed to make the interpretation credible.

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Tuesday July 15 1980

Privatisation by consent

capital into some of British Rail's non-railway activities fairly promptly, no explicit which was outlined yesterday sales targets or deadlines have by the Transport Secretary, Mr. commercial good sense over on board the fact that many sight, this scheme has a strong resemblance to the one mooted by Ministers in February and vehemently opposed by the BR But, in fact, while the thinking behind the Government's proposals has not changed—the basic objective is still to "privatise" a major part of he public sector-it is encouraging to see that the Cabinet has been prepared to temper its desire to sweep away public ownership immediately and has settled on a scheme which strikes a sensible balance between the interests of taxpayers, BR customers, employees and potential investors.

Holding company

The idea of transferring Rail's non-railway assets, including the Sealink shipping company, the hotels and the £185m worth of property investments, to a new holding company is common to both the present and the previous proposals. The crucial difference is that the earlier plan involved shares in this holding company being sold to investors. Now the holding company is to remain wholly-owned by British Rail. 'privatisation" will consist of the new holding company making disposals, initiating joint ventures and selling shareholdings in its subsidiaries as and when commercial circumstances suggest this.

arguments management and its financial advisers, that shares in a conglomerate consisting of a hotch-potch of profitable and loss-making assets with little managerial coherence would only have been saleable at a fraction of their underlying asset value, seem to have pre-vailed over the "hawkish" vailed over the "bawkish" not to the duplicity or laxness views that allowing BR to retain of BR management. If manageoverall control would contradict the Conservative commit- strate their determination to

frontiers of the public sector." Obviously the piecemeal privatisation would have been

THE PLAN for bringing private pressure on the new holding company to start doing deals been laid down. This implies Norman Fowler, is a victory for that the Government has taken ideological rigidity. At first nationalised industry managers strongly support a degree of have the freedom to carry it out in what they regard as an appropriate manner, and provided their industries are allowed to benefit from some, at least, of the proceeds of asset

> question, which has not been resolved by Government statements. No decision has yet been taken about exactly how the new private money will be shared between BR and the Government. If BR is to have adequate incentives to get on with privatisation and to imthe profitability of its ancillary business it should be allowed to use a substantial part of the proceeds for investment in its main activities. On the other hand, the Treasury is justified in regarding the assets or shareholding which will be sold as the taxpayers' property and is bound to consider disposals as a contribution to BR's external financing requirement.

Cash limits

There will be a temptation for the Government to use most of the proceeds of privatisation simply to reduce the Public Sector Borrowing Requirement. by cutting BR's external financing cash limits by the amount of capital it raises through asset

Unfortunately such an accusation could easily be made, even if it was not, in fact, justified by BR's behaviour. For it is very difficult to distinguish in practice between the money BR receives in operating subsidies and what it borrows to finance investment. But this is due to faults in the present system of controlling the nationalised industries through cash limits and ment and unions can demon-"roll back the contain costs and increase efficiency, for example, by implementing the improvements agreed in their recently negotiated pay deal, there will be doomed to failure unless the BR every reason for the Governmanagement itself wished to ment to allow the railways, attract private capital into their which have been starved of be Govern- investment, to benefit from the ment will no doubt put some proceeds of privatisation.

OPEC's dues to Third World

THE MOST depressing aspect of the 140 per cent increase in oil prices over the past year and a half has been the dogged refusal of OPEC to accept that it bears any responsibility for the problems the prices rises have caused oil importing developing countries. By the end of this year the current account deficit of these countries will be about \$63bn; the OPEC states

will have earned a surplus of at least \$115bn.

OPEC's Secretary-General said after the recent Venice summit of leading western industrial States that the probdustrial States that the problems of developing countries were due to inflation in the in-dustrial countries and to "other endemic economic problems" that caused "an atmosphere of economic injustice."

Inadequate aid

In the past OPEC has argued, and the industrial countries have broadly accepted, that the main burden for transferring wealth from north to south lies with the industrial countries. Aid given by OECD countries to developing countries is certainly inadequate—last year it increased by only 11 per cent. Britain is cutting back its aid programme, while Mr. Edmund Muskie, the U.S. Secretary of State, rightly berated Congress last Monday for the fact that it still has not approved aid programmes for the financial year which ends this September.

By the yardstick of aid disbursed as a percentage of GNP, the three or four substantial OPEC aid givers—Saudi Arabia, Kuwait, Abu Dhabi and Iraq easily heat the western countries, though the latter are nearly ten times as generous as the east bloc states. But the OPEC countries' aid disbursements last year of \$4.7bn not only compare badly with their current account surplus of about S55bn that year but also comprised the lowest percen-tage of their total GNP at any time since before the 1973 oil price rise. The statistics tend to exaggerate the altruism of OPEC aid: about three-quarters of it goes to Arab confrontation States, other Arab countries and a few very near neighbours

The main OPEC aid donors, which have organisations for projects, argue that they would disburse more money if they were able to find more viable projects in developing countries to finance, and if the developing countries were more efficient at getting such projects going once they have been approved.

But what OPEC refuses to face is that developing countries cannot absorb more project aid because their balance of payments have been sent deep into deficit by the enormous increases in the price of imported oil. Economic growth has slowed down drastically and efficiency has been impaired because oil imports drain away foreign exchange from other necessities, such as importing spare parts for machinery. The acute foreign exchange shortages most developing countries suffer make the amount of project aid theoretically available from OPEC countries (and indeed western countries) virtually irrelevant.

But the OPEC countries have traditionally been chary of pro-viding untried balance of payments support to developing countries, partly for fear of it ending up in the

So far virtually the only response of the cartel to the pleas of developing countries since last year has been to increase the capital of the OPEC Fund — which gives OPEC Fund—which gives mainly project aid—and to reject proposals by Algeria and Venezuela for a \$20bn fund partly for balance of payments support on the grounds that this would mean OPEC taking responsibility for the whole of developing world's

Market forces

OPEC should stop hiding behind these elaborate excuses. It has put up the price of oil to developing countries in response to highly favourable market forces, not to an atmosphere of economic injustice. It should accept responsibility for the greater part of the developing world's present name to retail a conceived from any retaliatory requests for fast-disbursing aid, and the cartel should set up a tied to specific development port on a simple basis of need.

After the sales storm, still a chill wind for retailers

BY DAVID CHURCHILL, Consumer Affairs Correspondent

BRITAIN'S High Streets are currently bursting with bargains at prices which only a few months ago would have seemed almost ridiculous. A refrigerator from the Asda stores chain, for example, now costs only £70—probably less than the price paid to the manufacturer. A top-quality man's suit at Harvey. Nichols, a London department store is now £39, 40 per cent cheaper than at the beginning of the year and typical of the price cuts for clothes in general. Since the spring, the slump in consumer spending in the shops has left many retailers over-

stocked with goods such as washing machines, refrigerators. colour televisions, furniture, carpets, and most clothes and fashion accessories.

Even Harrods has felt the This raises the most important child wind of economic reces-Last Saturday a record queue of shoppers were tempted not so much by the prospect of half-price mink coats as by the more practical bargains in the clothing and household departments.

But what is good news for the discerning shopper is without doubt bad for the retail trade as a whole. The feelings of many retailers are summed up by Mr. David Johnson, chief executive of the medium-sized Rumbelows electrical goods chain, when he says that the trade faces "its bleakest few months since the war."

Already such famous High Street names as Tesco and F. W. Woolworth have been forced to put staff in some stores on short-time working. Others are certain to follow suit

What makes the picture so much worse are the poor prospects for a retail recovery. As the recession bites deeper, with an accelerating rate of redundancies and factory

closures, so consumers are less willing and able to buy anything other than necessities. This forces manufacturers of consumer goods to cut production and lay off staff. The rise in unemployment itself helps further to reduce sales. It is a vicious circle which becomes

But most retailers are firmly agreed that the start of their current problems began on 12 last year-the day when the Chancellor of the Exchequer, in the Conserva-tives' first Budget, raised VAT from 8 per cent to 15 per cent. Mr. Ian MacLaurin, managing director of Tesco points out that "sales of consumer durables and textiles have never really recovered from that blow."

Official figures of the volume of sales immediately after the cent slump; many retailers were embroiled in industrial conflict, many other experienced their biggest-ever drop in demand between week and the next.

retailers, was forced to act. In spending. only its third major price-



Pulling out the stops: Mr. Roy Stephens, chief executive of Selfridges, conducts the Baden-Württemberg Youth Orchestra, which greeted the early-morning queue at the start of the store's sale

cutting £11m package of price cuts. As eneezes, you can be sure the rest will catch a cold."

In fact, as it turned out, the cold has developed into a bad case of influenza.

In the run up to last Christmas, normally the best time of the year for retailers, sales were depressingly weak. The only silver lining in the gathering storm clouds was a mini-revival in spending caused by the October tax rebates.

But in the week or so before Christmas, some retailers experienced an unexpected surge in demand which reminded them just how volatile retailing can be. This surge in sales made the final figures for pre-Christmas spending slightly more respectable and was followed by buoyant sales figures for the first three months of this year. That buoyancy was unexpected given the gloomy industrial outlook, with the prolonged steel strike threatening to bring industry to a halt.

Yet, as Department of Trade figures show, the volume of retail sales rose from 101.7 in the final quarter of 1979 to reach 103.2 in the first three months of 1980. The reasons for the unexpec-

tedly good sales figures were two-fold and shed some light on the consumer psyche in times of recession.

Firstly, while the steel drop in demand between one of 20 per cent or more which meant that average earnings By early September, Marks were still keeping ahead of and Spencer, whose sophisticated sales and stock control felt that they were better off systems are the envy of many and saw no reason to delay their

campaign in three large pay awards were also more consumers' real income was decades, Marks announced a likely to be from "workingone retail analyst put it: groups C2DE in the marketing announced by companies led to "When Marks and Spencer man's jargon) who were not a fall in confidence among likely to be so worried by the rapid rise in the cost of mortgages, overdrafts and consumer credit as a result of the rise in interest rates. These cost increases clearly depressed spending by "middle class" households (social groups ABC1) to the detriment of outlets such as department stores.

> Paradoxically, the second factor which led to the post-Christmas sales surge was that, consumer confidence slipping, many consumers felt it was pointless to put off buying plans for much longer. In February, for example, the monthly Financial Times survey showed that consumer confidence was at its lowest level in the survey's 10-year history, mainly because of the fall in confidence by ABC1 consumers. But, at the same time, a surprisingly high proportion of these have fallen by some 7 per consumers felt that the time was cent since February. Clothing right to buy major items for the

> What changed this rather unreal position was the speed and severity of the recession which began to bite in the spring. As inflation soured, so Street to the May sales slump

under threat. Simultaneously. the rise in redundancies being FT monthly survey of confidence reached new lows and prudence, rather than profligacy, became the name of the

monitored by the Trade Department whose figures showed that from a peak of 103.9 in February, sales volume by May had plummeted to 100.6. In terms of the volume of sales being monitored, such a fall was of epic proportions. Between April and May alone, the volume of sales fell from 102.3 to 100.6. Next week's provisional estimates could indicate that June sales were much worse. Analysis of the sales figures

shows that the biggest slump was felt by retailers of household goods such as durables and Volume sales of furniture. and footwear retailers have experienced a 5 per cent decline, while food retailers have managed to hold their The reaction in the High

was spearheaded in early June by the Littlewoods stores group which launched a £10m package of price cuts. Other major store chains quickly followed with price-cutting promotions which were often indistinguishable from the traditional summer bargain sales now under way. Some retailers, in fart, way. Some relaters, in the started their summer sales many weeks ago, although the West End department stores have mainly kept to their previously announced dates.

The crucial question, however, for both shoppers and retailers alike is for how long the bargin sales can be expected pected to continue. The scale and length of the sales depend on two factors: how much overstocking there has been and whether shoppers will have the desire and financial ability to go on buying kuxury goods.

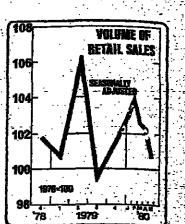
Some retailers took a fairly pessimistic view on the trade outlook at the beginning of the year, when they decided to re-duce stock levels. For example, Mr. Roy Stephens, chief executive of Selfridges, says that the store "decided to batten down the hatches some time ago in order to weather the storms ahead.'

However, other prominent retailers seem to have been less far-sighted, according to rumours circulating within the They have not sufficiently reduced their stock levels over the past six months or have been unable to because their prices were too

Retailers, not surprisingly, are reluctant to spell out their current stock levels, either because of embarrassment or for fear of giving information to competitors. Many point out rise in unemployment will mura that it has been exceptionally than offset any gains in other difficult to make accurate sales areas.

projections because of the Adde fluctuations in the pattern of sales over the past year. But it is also abundantly clear that many retailers were too optimistic in the first quarter and siready slim profit margins. were subsequently caught out by the sharp fall in spending from the spring onwards.

Stockbrokers Scrimgeour. Kemp-Gee and Company, in their latest retail review. suggest that retailers may not have been trying hard enough to control stocks. "We suspect that control of working capital has become rather more lax in recent years and it is therefore worrying that retail stocks are so high when the cost of financing those stocks



quite a few retail halance pressure," the brokers say. The determination of some

retailers not to get left holding high stocks which are a drain on finances because of current high interest rates—led Asia and its rival Tesco to announce last week that they would be selling few "white" goods in future. Most retailers believe that

their excess stocks will larger be cleared by the and of August (though not clothing re-tailers, who have also been hit by the poor weather). But some are privately willing to admit that such optimism may be a little premature. "If all depends in the end on consu confidence in the autumn, says. Mr. Richard Weit, director of the Retail Consortium, 🚉

Retailers hope that the ex-pected fall in the inflation rate and further cuts in inferest rates later in the year may help stimulate confidence. But it is also clear that the continuing

Added to this picture of mag-nant—if not falling—demand: are the problems facing all retailers as rising costs begin to bite even more deeply into their Wage awards to shop staff have ranged from 17 to 20 per cent. or more, while energy costs have increased by a fifth.

In the immediate future, therefore, most retailers face a tough time caught between rising costs and falling demand. Tesco's Ian MacLaurin believes that there will be no volume growth in consumer durables and clothes until the autumn of next year at the earliest. Mr. Weir of the Retail Consortium also acknowledges that -volume sales are expected to stay below 1979 levels for the rest of this year. But he believes that some of the pessimism may be overdone, since he considers the cursame order as the mid-1970s retail recession rather than any return to the depression of the inter-war years. "It is important to get the present situation into perspective," he

But, for the bargain-hunter, now being given a field-day, the problems of the retailers provide plenty of opportunities.

THE BARGAINS IN BRITAIN'S HIGH STREETS

İtem	Usual Price	Saie Price	Saving	Store*
Three-piece suite Panasonic music centre Axminster carpet Lady's wool coat Refrigerator Video recorder Aquascutum raincoat Divan bed	£1,904 £249.99 £12.99 £69.95 £102.95 £589 £129.50 £149.95	£1,199 £199.99 £7.99 £35 £69 £499 £79.50	£705 £50 £5 £34.95 £33 £90 £50	Kendal Milne, Manchester Rumbelows Allied Carpets Allders of Croydon Asda Rackhams, Birmingham Selfridges Whiteleys

The groups securing such . The table is only a guide to bargains; individual stores may have exhausted their stocks.

MEN AND MATTERS

Challenger in blue and white

The Post Office's Yellow Pages will guide your telephone fingers to most services in your area. But a challenger, in blue and white, is coming out soon that will provide a similar classified guide — with adver-tisements ranging from marriage bureaus to dieticians but which will also offer handy hints on how to solve your problems domestic draughts and shoddy goods.

Thomson British Holdings, part of the Thomson Organisation, is planning to bring out. over the next few years, more than 200 local directories which will pin-point local services as will as providing, the blue pages, household tips and "useful local knowledge." But how will the new com-

munity directories, eventually to be popped through the doors of nearly every house in the land, differ from the Yellow Pages? Says Michael Brown, deputy managing director of TBH: "Our product will be better and different. It is not a telephone directory."

Thomson, you may remember, last year turned down part of the PO's Yellow Pages advertising contract after more than 14 years with sole rights to selling the space. It rejected a new deal under which the PO offered it only a partial contract.

Yesterday the company was in fine entrepreunerial mood. We are no longer a franchisee," Brown notes. "The whole revenue from this project will come to us — not just a commission. This is our publication and we will make sure it is around for the next 50 to 100 years."

present payments crisis. Indi-vidual aid donors should would not have invested £15m respond more generously to in this project just because we requests for fast-disbursing aid, and the cartel should set up a have been thinking about this committing and disbursing aid fund to provide payments supproject for five to six years and tied to specific development port on a simple basis of need. We have not, so to speak, inventively



"To get a really balanced ticket we need a twenty-yearold V.P."

ted the wheel. Directories like these have been around in the States for many years.'

Merry again

The oil crisis of the early seventies may have taken the joy out of Merrie England—Grand Metropolitan's unrealised theme park dream—but it failed to kill the enthusiasm of the project's former finance director. David Britton. For seven years he has mulled over ways of reentering the leisure business, and although he has since drifted off into more mundane operations, he is now back again, tantalisingly close to seeing his musings translated into real estate.

executive "doctor" to finance company Sturla Holdings, Britton flies to Australia this weekend to press his suit with the Sydney City Council which has short-listed his year-old company Jubilee Park (Leisure Projects) for the task of renovating one of the city's oldest and best-known buildings.

Sentenced to demolition more Since February, he says. Cope than 10 years ago, the Queen Allman has installed 3200 Victoria Building in the city machines at £1,100 each, and is

centre is now to be restored and still fighting to match demand leading a consortium which includes Philips Industries and leading lights from the U.S. leisure trade, is angling to snatch the contract from the two Asian groups short-listed with him. For around £15m, Britton says, he can convert the himself as he doles out the Byzantine-style landmark into a small change that after all the commercio-cultural fun palace outgoings can be put down to along the lines of Covent "market research." Garden Market

After he abandoned Merrie
England, he tells me, he spent
two years crossing the Atlantic
It is not often that tiny Liechten learning more about the trade. But British investors have proved less than keen on following in the footsteps of Disney the other theme park specialists. "The Australians." he says admiringly, "wake up thinking today will be better than yesterday. They seem younger, keener to develop and more dynamic. But we are still under the influence of the oil crisis. Mention this sort of thing to any British banker and he will take three steps backoff crisis. Mention this sort of thing to any British banker and he will take three steps back-

Price of success

If it is any consolation to pubfrequenting readers driven to distraction by the whizzes, thuds and electronic groams issuing from space invader machines, the man behind the insursions has also fallen victim to the craze. Cope Allman chairman, Louis Manson, tells me his nine year-old son is addicted to his in advance to foreign journalists
Astro-Fighter and Galaxion and catalogue companies have On holiday recently, dad was

dragged unwillingly from arcade to arcade by his insistent off-spring who clamoured con-tinuously for 10p pieces. "He would have stayed there all formight if I'd allowed it," he

But from what he tells me of the extraordinary trade in these Fair warning galactic games, I suspect he is paying a small price in personal discomfort for the commercial gains accruing to his company.

Sign in my local butchers: "Try our pork pies and black puddings. You will never get better."

And Brition, with output of 200 a week, Moreover (or even worse) Manson claims he has so far filled only 10 or 15 per cent of potential demand.

And on reflection, he admits, even hisc on's obsession has a redeeming feature. He consoles

stein gets a chance to make a grand gesture on the world's political stage. But when the principality's indignant citizens decided to vent their feelings against the Soviet Union for its invasion of Afghanistan, they did so in a way that hit their state coffers as well as satisfying their pride.

despite their gold medals in the Winter Games. So they went a stage further and hauled the whole of their special Olympic stamp issue over the border for official burning in the Swiss

The cost to the principality, which obtains a large slice of its revenues from stamps, is put at more than £800,000 with more than 1m stamps going up in

A few of the stemps sent out not been sent back despite strong demands for their return. So Liechenstein is now considering possible legal action. And in future, it will be sending out photographs rather than stamps proper to profiteering pre-viewers.

Observer

Extel

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	 		<u>.</u>

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FINANCIAL TIMES SURVEY

Tuesday July 15 1980

PROPER.

Demand for UK commercial property during the 1980s is likely to remain slack, particularly for offices, while rental growth can be expected to be weak, according to a recent Government-commissioned report by the Property Advisory Group.

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by our London Correspondent

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When you consider the current shortage of or a phenomenal amount of skill and expertise. prime commercial space in the UK, any chartered year, either has to have a monopoly on the market they need new offices.

If the Monopolies Commission ever show any surveyor who handles 5 million square feet in one interest in us, it'll be because Richard Ellis **Chartered Surveyors**

25 A CRES

Warnings on development policy this decade

THE METAMORPHOSIS of the property industry as well as the refurbishment of existing commercial property market local authorities, says that stock with a view to maintain-from the boom-and-bust cycle of greater emphasis should be ing its value as an investment." the previous decade to its present stability is a far from irreversible process. There remains the inherent danger that

economic infrastructure is fundamental to arguments that development plans should be laid with due

It is in this light that a Government-commissioned report on the future for the development industry during the next 10 years, published last month by the Property Advisory Group, comes as a salutary warning.

The group, established three years ago to advise the Department of Environment, says not to expect any change in the level of new development activity once the present economic recession comes to an end. believe, that with a few limited exceptions, demand on a national basis for additional accommodation may remain comparatively slack, particularly in the case of offices, and that rental growth in inflation adjusted terms will be weak."

placed on improving the existing office stock, through refurbish-ment and redevelopment, with a corresponding move away

and occupied during the early 1960s. Many of these buildings irrevoc were built to less exacting Glant-standards than those con-structed in the past few years. The occasion of rent reviews, together with other emerging factors, may well cause office occupiers to reappraise their accommodation needs.

"Technological change will be a factor in the demand equation.
A certain amount of attention has already been centred on changes arising from micro-processor technology, and other recent innovations in office equipment which are being introduced will also have a bearing on both employment and space requirements.

"The need to conserve energy coupled with fast-rising travel costs and changing employment patterns, will have an impact on tenants' attitudes. There may well be relatively little demand for fresh office The report, compiled by a development and the industry's 12-man panel, drawn from the efforts will be concentrated on

sentiments

appear to have a direct relevance for several major new office development schemes mains the inherent danger that new development activity could once again lead to the supply of accommodation outstripping demand.

The response of future and The response of future an Vauxhall Cross — a scheme irrevocably dubbed the Green Giant — plus the various prodevelopments for Coin

Theme

A central theme running through the various planning proposals has been whether London is once again planning build too many offices to satisfy future tenant demand.

The fundamental issue at stake is not that some of these schemes will not be successful, or that new development or redevelopment should not take place, but that there will not be sufficient tenant demand to satisfy a significant increase in central London's total net stock of_offices.

It is a view perhaps shared by Land Securities, the country's largest property company, which recently unveiled a monster £108m rights issue. The vast bulk of this cash to be used "in furtherance of the group's policy of increasing the value and income from its existing portfolio by redevelopment, refurbishment and the acquisition of additional inter-ests where Landsit already has

tor, Mr. Peter Hunt, stressed that Landsit did not feel it right to embark on any major new developments at this stage— views that would appear to be fully supported by the findings the Property Advisory

The group's report, however, does offer some consolation to the property industry despite reservations about new development and the prospect of slower rental growth. It concludes that a combination of institutional dominance in the investment market and the low level of new development activity in the latter half of the 1970s has given the property sector an underlying strength which should provide a stabilising effect as the going gets

It would be unrealistic, however, to believe that the present recession will not have a significan impact on the property industry. Equally few, if any, observers wold expect to see a second property market collapse. It is more likely that rents will either remain static or at best perhaps only rise marginally in cash terms. In real terms, after allowing for the impact of inflation, rents may be expected to fall over the

next 18 months.

According to the recent national poll, conducted by the Royal Institution of Chartered Surveyors and the Financial Times, this trend has already started and is gathering pace. rental movements depending upon the type and location of

The group's managing direction, Mr. Peter Hunt, stressed tor, Mr. Peter Hunt, stressed they could of Town and City which recently munity Land Act and rector, Mr. Peter Hunt, stressed reporting "stable" rents for a not find sufficient suitable top announced that pre-tax losses in the rate of Development that Landsit did not feel it right wide range of premises in the quality buildings in which to had risen in the year to March. three months to June.

On a crude national basis 63 per cent of agents replying to the survey said that office rents had now stabilised and only 37 per cent reported rents still rising. This compares with 54 per cent reporting office rent rises in the previous survey in Advisory March when 46 per cent of desirability of fur agents said that rents were development activity.

Worst affected has been the secondary shop market where a prime investment opportunities small but increasing number of as identified by the institutions commercial agents have and the effect generally on the reported rents actually falling market of a significant rise in during the three months to the country's June. This, however, may office, shop reflect increased competition accommodation. within the retail trade—from Meanwhile, the very strength superstores and the like—as of institutional demand should well as the prevailing economic continue to underpin values and

conditions.

But despite the more gloomy outlook for rents, there have been few signs that capital values or yields on prime com-mercial properties are being tested—such is the great weight of institutional money over-hanging the market, looking for top quality investment oppor-tunities.

Spending

figures published in April, stantially reduced and most institutional spending by pension funds and insurance companies of £1.14bn on commercial property was only marginally ahead of the £1.13bn spent at record levels since last legal, administrative, planning market, as a whole, will depend in 1978. This shortfall, in infla- November, the going is becom- and financial framework within heavily, as it always has for Although there remains ally ahead of the £1.13bn spent marked regional variations in in 1978. This shortfall, in inflation-adjusted terms, was not ing more tough. The impact of which commercial property the prevailing accordance because the institution's appeared interests, for example, operated much less restrictive. properties, the latest poll shows tite for property has become

place their money.

This marked shortage of good quality accommodation at the top end of the market—particularly in areas such as the City of London—would, at first glance, appear to contradict the findings of the Property Advisory Group on the desirability of further new desirability carriers.

However, distinctions must be drawn between a lack of good have and the effect generally on the the country's total stock of factory

> yields at this top end of the market, but further down the scale yields and values may come under pressure as the begins to

significant financial restructuring that was undertaken by property companies, following the 1974-75 collapse—those that survived it, that is is another factor behind the present resilience shown by the property market. Debt. in According to Government relation to assets, has been subcompanies have the financial resources to withstand the rigours of renewed recession.

But with interest rates struck has already halted the recovery

announced that pre-tax losses in the rate of Development and had risen in the year to March Tax to 60 per cent, pins had

and City's charman, said that interest charges had risen from £23.7m to £28.7m, despite a troduction of charges to he further reduction in group cover local authorities controlled to interest rates had regulations: with similar plants of interest rates and regulations. levels, Town and City's pre-tax loss would have been £8.5m instead of £14.4m.

an extreme case and it would cernedbe unrealistic to suggest that authority attitudes and not with property companies generally the statute book. It has been are now about to move into fear of unsetting some of these losses, given the rise in commercial property rents over the past 18 months or so and the pattern of rent reviews still in the pipeline. But high interest rates, aligned to a retreat in the Secretary, to report instances country's manufacturing base, of needless delays in process will have an increasing impact ing planning applications, little

dockland development corporaprivate sector's ability to respond to these initiatives in the present climate remains blame. questionable.

proposed—and in some cases been proposed; the prosperity introduced—a whole bost of of the development industry measures designed to make the and commercial proper The abolition of the

Tax to 60 per cent plus mone 1980 to £14.4m—after several to establish registers of massing years, during which losses had land held by local authorities and nationalised industries are lust some of the more important and City's chairman, said that

Less popular has been the inregulations: with similar plans to introduce charges for the on cessing of planning applicati

However, the key to impro ustead of £14.4m. planning procedures—till lead Town and City is something of as far as the developer is conlocal authorities that has dis suaded many developers and their advisors from taking in an offer from Mr. Mich Heseltine, the Environme to his office.

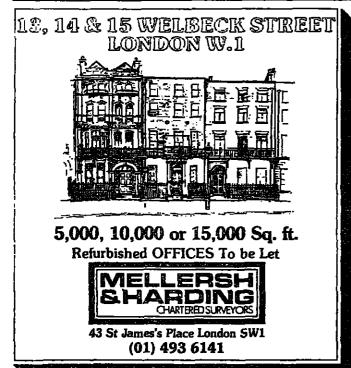
It is against this background The industry's general failing that the Government has to take advantage of this offer launched new initiatives, in the has prompted a characteris-form of enterprise zones and tically blunt retort from the dockland development corpora-tions, to promote new develop developers that if they are prement in depressed areas. But the pared to accept an infinio service from local authorities they have only themselves

uestionable.

But no matter what measure
The Government has also and changes in legislation have

Andrew Taylor

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Blunt message from Study group

the property industry may have had about the recession were shattered last month by the if some adjustment is made for with no common picture of the publication of the Property price rises since 1974. Advisory Group's report. Its message was blunt: the recession will have a major impact on the property industry by reducing demand and discouraging supply.

The Group's findings could not easily be ignored since its leading developers, institutional investors, surveyors and other specialists brought together by the Department of the Environ-The report produced a stir in the property share section of the stock market and it has caused property men to re-consider the immediate out-

There had been a feeling that those companies which survived the traumas of 1974-75 were now well placed. The current position is certainly very different from that of the mid-1970s but the property industry is not insulated from the economy as a whole.

First the differences. The mid-1970s was undoubtedly an exceptional period dominated by the adjustment to the collapse of a massive speculative boom. This affected both rents and capital values as there was a large imbalance both of available developments for letting and investments for sale. It took couple of years for surplus good quality space to be occupied (and much longer for secondary properties) and for financially hard-pressed companies to slim down.

This time there has not been speculative boom in development or in property values. Activity has been on a more modest scale and a much higher proportion has been securely financed in the long term by pension funds and insurance

Perhaps the clearest indication of the contrast is the level of bank lending to property companies. In 1974 this rose to companies. In 1974 this rose to that: "this cyclical tendency is less gloomy. Admittedly, the ing costs in excess of the around £23bn. Over the last exacerbated because the indus- retail and distributive trades growth of reutal values will dis-

ANY COMPLACENT feelings year the total has fluctuated be- try consists of numerous detween £2bn and £2\bn-a de- velopers and investors in comcline made even more dramatic petition with each other, but

Vulnerable

Even though there is not a speculative bubble to threaten the proporety industry, a number of companies still bear the scars of the 1970s. This made them vulnerable to the sharp rise in interest rates last year. the over-supply is absorber example, Town and City the cycle recommences." recently reported pre-tax losses of £14.4m for the year to March. Mr. Jeffrey Sterling, the company's chairman, said that if interest rates had remained at the same level as in 1978-79, ses would have been limited to £8.5m So any fall in interest

the property industry now world trade, though less spectacular than in the mid-1970s is nonetheless felt by manufacturers whose industry's level of activity and developers' own caution are now having a stabilising effect."

The impact of the economy as whole on property is less straightforward than, say, it is in the textile or motor vehicle sectors. In part this is because the property industry's unique structure.

The Property Advisory Group noted that: "the state of the economy determines the level of demand, so that the amount development activity isat least in theory-governed by forecasts of the economic situation two or three years ahead, since this is the average length of the development process. Thus, like the national economy, the activity of the industry is cyclical, though the respective cycles are not in phase."

However, the Group added

velopment or of all the schemes with planning permission or under development. Information about the demand for, and supply of, space is limited and difficult to interpret, As as result, too much accommodation is supplied during a boom, and a re-cession in activity follows until

There is general agreement among economists about the main influences on this frag mented market over the next 18 months. The UK faces what has been called an "output recession." This means that production is being squeezed by rates in the second half this a combination of tight fiscal and year will obviously be welcome. monetary policies, a strong In general, the challenge to pound and the downturn in

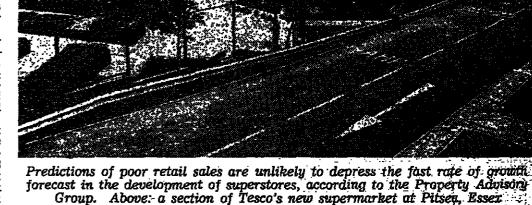
real. The Property Advisory output is expected by the Trea-Group commented that "the sury to fall by about 4½ per cent this year with a further decline its fortunes will generally move in 1981. The financial pressures with those of the economy as a on manufacturing companies whole, but with the stronger have already been reflected in a influence of the institutions and record drop in their holdings of stocks of raw materials, work in progress and finished goods during the first three months of this year.

> probably continuing stock adjustment, manufacturing companies have also been cutting back on new fixed investment. This dropped by about 3 per cent in real terms in the first quarter, compared with the previous three months, with an 8 per cent drop in building work. These falls are likely to continue; the Department of Industry's investment intentions Advisory Group's report. This survey at the end of May indistated that, "the current cated a fall in manufacturing economic recession, as far as it investment this year of eight to 12 per cent, with the likelihood of a further fall in 1981.

The outlook for the rest of the private sector is slightly inflationary increases in build-

the over-supply is absorbed and

In addition to a large and



are currently going through a courage its supply Land values. The forecasting committee difficult period as companies too, would then show little noted that factories account for in demand. But this adjustment could be relatively short-lived.

Although real incomes and consumer spending could fall over the next 12 months after their sharp increases of the last two years, the squeeze on households is likely to be much less than that on industry. This is partly because the very factors which are hitting industry, notably the strong pound, are helping the consumer. None-theless, there is not likely to be a repetition of the boom of the last two or three years, when consumer spending rose by 133 per cent between the first quarters of 1977 and 1980.

The implications of this outlook for property were examined in the Property affects the development and property industry, is expected to be deep, widespread and prolonged. If so, this will reduce demand for new property, while ing costs in excess of the

three consequences: first, the the developer will be reduced: second, far fewer areas of the

UK will prove attractive for development; third, there will be fewer opportunities for large-scale development." Smaller The cutback in new private sector construction activity is se

far expected to be smaller than in the mid-1970s when non-housin the mid-1970s when non-housing output dropped in the 19741976 period by 6, 5 and 8 percent respectively. The joint
forecasting committee of the
building and civil engineering
economic development committees estimated last month
that private industrial and commercial output fell by 1 per cent last year and might fall by a similar percentage this year before declining by 3 per cent in 1981.

The biggest drop is expected to be in private industrial construction—down by 3 per cent this year in real terms and down a further 7 per cent in 1981.

try to reduce excessive stock growth and could even fail, about 70 per cent of total our levels in the face of a sharp fall Reduced demand will have put. Time lags in this sector are shorter than in other areas amount of equity for distribution of construction, with about 70 tion as between landowners and per cent of orders being trans lated into output within 12 months, consequently any change in the economy could be quickly reflected in new development.

Private commercial work is expected to continue to grow slowly in real terms by 2 per cent in both 1980 and 1981. However, the level of commercial construction is still expected to be over a quarter less in real terms than during the development boom of the early 1970s. Work may be sustained by the

start of some large office schemes in the south east
However, the Forecastias
Committee reckoned that pool
retail sales predictions were unlikely to depress the fast rate of growth forecast in the development of superstores. But there are few large-scale shop ping centres still to be completed, so it is likely that construction of shops hav be static, or at best, only dightly

sure that people have to eat.

-- Peter Riddell

Shares lose some their steam

PROPERTY SHARES have had a very good run for their money over the past couple of years, but recently they have "come off the boil" and it looks probable that the period of relative strength against the rest of the market is over for a while.

Throughout most of 1979 property share prices kept ahead of the FT All-Share Index. In addition to good rises in profits, dividends and asset values, the sector was encouraged by the switch in Government and sub-sequent changes introduced by the Conservative administration, such as the reduction in Development Land Tax, the abolishing of the Community Land Act and Office Development permits. Industrial Development Certificates are now only needed for construction over 50,000 sq ft and planning procedures have generally been simplified.

There was a setback in the last quarter of 1979 as investors reacted to the sharp rise in interest rates but the upward movement returned at the beginning of this year. The fall in the overall market after Feb-

28 per cent higher than in December compared with a 17 per cent increase in the Allshare Index.

Certainly, the relative strength has been justified by the recent results and assets valuation to come out of the sector. Land Securities Invest-ment Trust, for example, reported a rise in profits for its year to last March 31 from £26.4m to £38.1m, a 20 per cent increase in dividend and an uplift in the value of its property portfolio of a quarter. Last month, however, it be-

came apparent that the property sector was beginning to lag behind. During June, the All-Share moved ahead by nearly a tenth while the property index ad-vanced just 2.1 per cent. There are some obvious factors which can be highlighted for this rela-The Land Securities rights

ruary did take the gloss off issue of £108m announced on the property sector for a while, June 5 was the largest the marcent on quality stocks, prices but the dip in share prices was not as deep as for other sectors and virtually equalled the total and after the first six months of 1980 the property index stood the previous five months. So lowest level ever, even lower than in flow has been directed to the property largest and the previous five months. £100m has been directed to-wards Land Securities' new shares which might otherwise have chased other existing shares in the sector. Also the major results season for pro-perty groups is past so it might be expected that some of the

" puff " prices. Directed

Yet the levelling off of prices might well reflect a more fun-damental changes of attitude on the part of investors and commentators alike. For three years stockbrokers Rowe and Pitman had been advising, in their monthly newsletter, that fund managers should be "overweight" in the sector, but in May that recommendation was watered down to an "average weighting."

There is a tradition that once the discount of market prices

than the previous peak achieved in the property heydays of 1978. So there is a growing awareness that not only have share prices caught up with events, but that they are already fully discounting the sound growth prospects for profits and dividends, too. might come out of

The other major factor in the equation is the recession. There is obviously debate over how deep and how long the recession will last, but undoubtedly corporate expansion plans will be hit and this must affect property demand. Industrial space would logically appear to be the first hit. Each day brings fresh news of factory closures and redundancies. However, an examination of the last recession shows that despite all the problems, industrial rents continued to rise at a satisfactory pace for the property groups. Rents are not such a major cost item for industrial opera-

tions as, say, shops, so the average company will not be put average company will not be put though of course there seems to though of course there seems the country. Also industrial/warehouse development is easier to limit to the demands of the market place and so there are few fears of over-supply to upset rental levels.

That said there is bound to be regional divergences

That said there is bound to be regional divergences. Industrially, the north will be far more affected than the south. That may hit industrial property prices, but not necessarily shops. As De Zoete and Bevan points out the levels of redundancy payments and social security benefits should mean that the High Street does not come out of it too badly. Office values tend to be far more. resilient in a recession and particularly so in London.

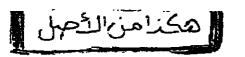
Shops, generally, are making the analysts a little nervous. Rents for shops are a high cost factor and, in a recession, retailers face severe problems. Food retailers at least can be particular are vulnerable

competition. The real headache for the analyst at present is to dead whether yields have been pushed too low. Look at the sort of yields investors ban obtain. On prime shop property it varies between 3.7 and 4 pcf cent, on offices to cities 4.25 to

vinces 4.5 to 5 per cent and industrial 6.5 to 7 per cent These are fairly typical figures according to Quilter Hillon Compared with the refures that can be obtained elsewhere it really does look as if the yields on shop developm

4.75 per cent, offices in the pa

CONTINUED ON NEXT PAGE



Address_

Fresh initiative to fight inner city decay

economic decline have signalled yet another new initiative in the fight against inner city and rban decay.

The concept of enterprise ones as areas where regula-ions and public charges should e kept to a minimum in a bid to attract industry and comnerce back to inner cities was fully redeveloped.

Graf proposed by Sir Geoffrey Sir Horace Cutler, leader of first proposed by Sir Geoffrey Howe, in an opposition speech made on the Isle of Dogs, two years ago.

Since then Sir Geoffrey has become Chancellor and, in his budget in March, he took the opportunity of turning the theme of enterprise zones into

Around seven or eight zones are planned—each averaging that this was the maximum the 500 acres—to be chosen in country could afford "in the areas of urban dereliction for their degree of physical and diture." He had been asked to economic decay." Areas shortlisted are Sheffield, Tyne and £760m on local transport infra-Wear, Liverpool. Manchester, structure, Swansea Valley, Clydeside and Beifast. A final choice is due to be announced very soon.

The zones will be designated neses thinking of coming to tiese areas.

These include: exemption fom development land tax: feedom from local authority ates; 100 per cent capital tax llowances on all industrial and ommercial buildings; simplifor. Many developers Proceed planning and customs pro-isolated poor transport and reduces; exemption from train- communications systems as the ng board levies; exemption major block to investment and from the need for industrial development certificates and the reduction to a "bare minimum" of the need to satisfy Govern-ment requests for statistical information.

Well-received

received by the development and property industries, but between welcoming an idea in invest where prospects of principle and actually putting reasonable return cash down on the table for in-money are poor.

also suggest that advancement in enterprise zones will be at the expense of development in surrounding areas a problem already highfighted by Mr. Nigel Broackes, chairman designate of the new urban development corporation to be established for London's depressed dockland areas.

. Mr.: Broackes has strenuously argued that it would be folly to establish an enterprise zone in London in competition with his urban development corporation. Architects reiterated this point It would make it very difficult to attract much needed private investment for London's docklands if businessmen were to be offered tax and other inducements to go to other nearby administrative and legal frame-depressed locations. He says that work: there must also be at least one enterprise zone docklands area itself.

A similar problem arises on dereliction.
Merseyside. where another The Ro docklands TDC is to be established covering an area of about prise zone around, or even Industry said that experiments within, the UDC's boundaries such as enterprise zones "must could have serious implications not be seen as a substitute for for investment for the rest of Merseyside docklands.

The two new development corporations have been charged with attracting private sector investment back into these highly depressed inner city industrial investment with areas. The corporations will interest rates stuck at record

establish new style enterprise cluding the right to acquire pound impeding export profits zones in areas of serious land and will have an initial combined budget of £200m with struction showing no sign of provisions in the Local Government Planning and Land Bill levels.

to raise this to £400m. However, this figure substanpublic investment that many people regard as essential if these areas are to be success-

the Conservative - controlled Greater London Council, said last month that he was "bitterly disappointed" at the level of spending planned by government on transport for the capital's dockland areas.

Mr. Norman Fowler, Transport Minister, announcing the 15-year £100m programme, said that this was the maximum the present climate of public expen-

The decision means that proposals to extend the Jubilee underground line into docklands have now been axed as has the controversial plan to for an initial period of 10 years build a southern relief road. and offer an impressive list of The new programme also makes benefits and advantages to busi- no allowance for any spending on improvements to public transport.

Without this expenditure remains doubtful whether docklands will achieve the measure of private sector investment that the Government is hopinredevelopment in London's docklands.

While the good intentions of governments successive wishing to promote industrial regeneration in declining areas has never been in the various carrot-and-slick measures introduced so far have The proposals have been well had limited success.

The basic problem is that these areas are run-down and there remains a wide gulf investors are very reluctant to It can be vestment in areas which have argued that major institutions, been highly unpopular with such as the pension funds, have private developers and in- a social duty to invest but they equally have a duty to their members to seek the best possible return from developments to protect future pension requirements.

It is only when the basic infrastructure of these areas are substantially improved that private investors can realistically be expected to promote the building programme so badly needed to provide new opportunities in these highly depressed inner city and

urban areas.
The Royal Institute of British in response to the Department of Environment's consultation paper on the new zones. RIBA said that it was not enough merely provide a new work: there must also be sufficient money made available should be established in the for the funding of infra-docklands area itself. structure and for cleaning up

The Royal Institution of hartered Surveyors has Chartered expressed a similar view while 1,000 acres. A 500-acre enter- the Confederation of British the right economic climate for industry and commerce."

and with public spending on conrising from its present very low

The continuing decline of tially understates the level of in part been a direct consequence of the success of new town development corporations which have succeeded in capturing a substantial slice of private sector industrial investment which otherwise may have gone elsewhere.

Intention

It was in a bid "to reverse the engines of exodus" that the urban aid grants available to previous Environment Secretary, Mr. Peter Shore, under tary, Mr. Peter Shore, under from £81.1m to £82.2m at the last Labour administration. November 1978, prices. established seven inner city partnership areas in Birmingham. Manchester, Newcastle, distribution, successive Govern-Gateshead, London's docklands and in two London boroughs of Hackney and Islington and of equally desirable schemes to Lambeth.

These attract industry and commerce back to these areas with the aid of central and local government grants.

The principal criticisms of to inner city areas. the scheme-such as those now being raised about enterprise attracted to these towns zones—is that the partnership because adequate steps were

GOVERNMENT PLANS to have wide ranging powers, in levels since November, a strong expense of other equally needy levels of infrastructure—house areas in the shire counties and ing, shops, social amenities and that not enough cash has been the like-were present to attract available to make the necessary skilled workers. improvements to infrastructure.

There have also been com- mercial companies and major plaints that the administrative institutional investors, such as inner city and urban areas has structure of the partnership the pension funds, have been in part been a direct conse-areas has been over bureaucratic prepared to play their role in putential private investors from attracted by the presence of involvement. A criticism that available skilled labour and a could be hardly levelled at more desirable environment.

> has marginally raised the amount of central government the partnerships in 1980-81 behind.

With only a limited public sector cash cake available for ments have often tried to spread aid too thinly over a wide range improve the economic and were established to social fabric of depressed areas cities. But the success of new town developments is worth investigating in the light of failures to attract industry and commerce

> Private investment has been to these jowns

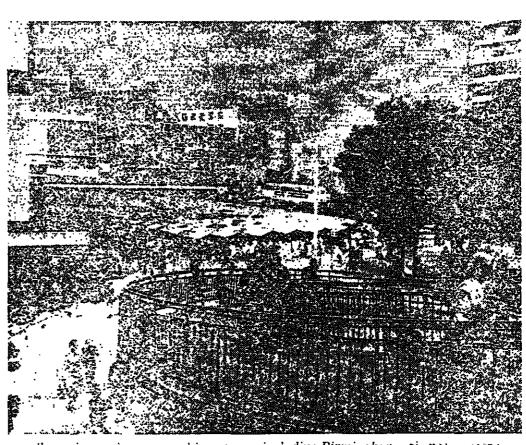
In turn, industrial and combringing life to new towns

The growth of new towns Mr. Michael Heseltine, En- over the past 20 years has, in vironment Secretary, has pro- many people's eyes, helped to mised a review of the operations accelerate the decline of inner of inner city partnerships and city areas. As more skilled workers have moved away a hard core of elderly and the less easily employed have been left

It will not be easy to reverse this trend which has been exacerbated by successive Governments' policies of providing conflicting aid schemes for other areas while at the same time they have sought to provide inducements to encourage business back to the inner

(deas such as zones are a worthwhile experiment, but will not be enough in themselves to promote the industrial regeneration that all

Andrew Taylor



mstio meas — including Birmingham value<math>et = mercestablished by Mr. Peter Shore, under the last Labour administration

areas have been favoured at the taken to ensure that sufficient Your linkwith the complex world of international real estate. Established 1820 in London 29 St. George Street, honover Square

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Shares

CON'INUED FROM PREVIOUS PAGE

the institutions appear to be profits and dividends are pro-keer to keep on investing in gressing at a time when the shots and many retailers con- manufacturing sector is under time to expand. Nevertheless thee is a fair chance that

Any falls in property prices se unlikely to be dramatic. bwever. The institutions' ppetite for property invest-nent appears to be insatiable and development activity is relatively low — high interest rates will probably keep it that way—so any pressure on prices will probably be mitigated by an under-supply of property for investment.

While a fall in asset values would be reflected in share prices the overall picture of the sector presents a much stronger image than in the last recession. High interest rates no longer have the very depressing effect that they did. Debt has fallen to under 30 per cent of total assets for the top 40 companies in the sector, compared peak year of borrowing in 1975, market, generally, for the rest lower proportion than before. companies which are considered Moreover, most companies can look forward to a steady rise in profits as rent reviews reversions come through and investors should see a increase progressive

dividends. In a nutshell, the market is faced with a sector where

considerable pressures. On the other hand there is that chance yidds may have to creep up that asset values may come in that asset values which are the determining factor behind share prices.

There are a couple of wild rards. There is always the thought that some of the groups will be bid for. Eagle Star scooped up Bernard Sunley last year and this month we see the Kuwait Investment Office launching a bid for Hay's Wharf where it already owns a 32.7 per cent stake which it picked up when it bought St. Martin's Property Corporation in 1974 Vet there Corporation, in 1974. Yet, there are good reasons which may hold back an institution bidding for a property company. An institution would pick up a mixed bag of properties and really they only go for prime

Despite the general feelings among the analysts that the sector will drift along with the of the year there are a few worth buying. Land Securities. MEPC, Slough Estates and Haslemere are generally considered worthwhile, but inevitably views diverge-W. Greenwell rates Great Portland as a buy, Carr, Sebag believes the price is looking somewhat high.

Terry Garrett

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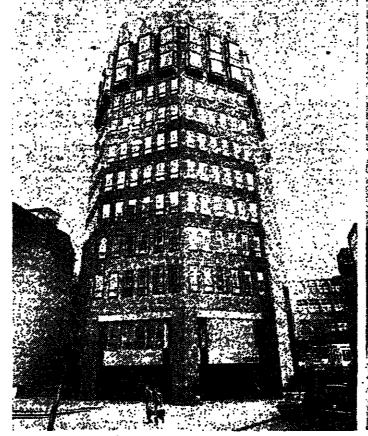
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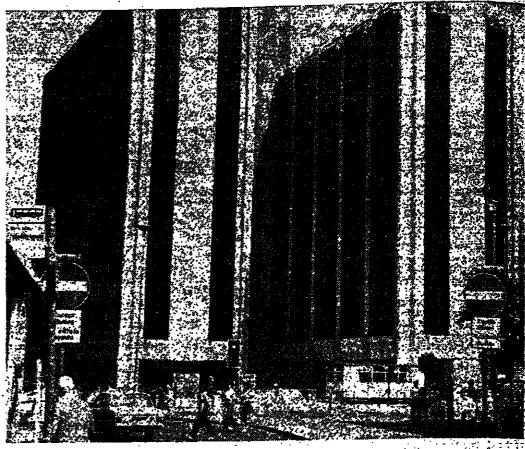
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Left: The new head office of W. H. Smith in Fetter Lane, London; right, new buildings in central Cardiff

Demand is more selective in the office market

Air-conditioned offices

NO AMOUNT of wishful think-ing and traditional property market optimism can disguise the fact that the UK office sector is going to find the next year or two somewhat tougher than the recent past.

It would be folly to suggest that the office market is about to crumble, with the collapse of recession-led demand taking capital values with it. But there are good grounds for forefor a period of lower, more selective demand in rentals continue on their present path and fail to match

It seems doubtful that the attraction of office space as an investment option for institutions—a factor which has proved as significant as actual tenant demand in stimulating recent development activitywill fade in the wake of what should be a short-term hiccup, though few observers would be surprised to see historically low yields of 4143 per cent in London and the City (41-51 per cent elsewhere) easing slightly in the months ahead.

Substantial pace

The pace of office development over the last year or so has been substantial though not question of any major overthe provincial office locations are only now finding that they have cleared the backlog of vacant space left behind after the last boom and the absence many substantial new schemes in the interim period has left them with space which is fairly closely aligned to

Whatever the depths of the present recession and its consequent effect on space requirements, the prospet seems unlikely of an office market struggling for several years to get back on its feet.

But it seems equally clear that the level and nature of demand for office space in the remainder of 1980, and almost certainly throughout 1981 at least, will be changing, and there could be a surplus of certain types of office space.

The pattern will be mixed. Large schemes in London and the south-east are, for example,

quite rare and may well be suf- multi-national companies, and demand—especially for officesficiently scarce to attract tenants therefore tenant demand could and weak rental growth.

er anesoa mbe

But the recession could ensure that a provincial market which in many places has just recovered its self-confidence recovered could again be in for something excessive and there seems no of a slack time. The economic situation will almost certainly supply of space in the important bring into play those old guide-office centres. Indeed, many of lines which seem to take on more than the usual importance when the economy turns down —location and quality. The gap between primary and scondary property may well widen.

At the same time. quality of the covenant will become more important with the recession proving potentially more disastrous to some than to others, making landlords cast of closer than usual eye on the occupier's state of health.

The key to what lies ahead must rest largely with the office occupier's ability to con-pansion, and if only half the gloomy predictions are accepted that must mean fewer moves and contracting or at least stagnating requirements

As the recent review from gents Edward Erdman agents out: "There is a potential for office occupiers to defer moving or expanding, except in special circumstances such as those applicable to expect

quickly (not that many develop- diminish quite substantially. General development activity, it ments are being put up without The impact of escalating build- suggests, will be much reducedtor could be significant and, once the economy is reflated,

substantial

Brokers Savory Milln, in their tilt at property—as first opposed to construction analysis, expect rentals to be sustained because of limited supply but, like most sensible observers, their crystal ball is cloudy about longer-term pros-They comment: "Despite

recent talk of a new office development boom, the high land and construction costs, economic uncertainty and high interest rates are likely to discourage such a boom in the next two years, although the aboliof office development permits should ease development when circumstances permit. Should the economy take off in the early 1980s the scarcity of new developments could cause City rents to soar, although the recent report of the Property Advisory Group is doubtful about this."

The report in question has in its short-lived life proved to be a controversial document, predicting as it does that property after the recession can still comparatively

more on refurbishment and

renovation. rental increases The report's views are not universally shared but in one sense its publication can do nothing but good, by setting minds to work on what could be a more detailed appraisal of future market conditions than might otherwise have been the case. For one criticism which might be fairly levelled at the property development industry is its readiness to react to an encouraging set of short-term circumstances without paying too much attention to likely future trends.

Pitfalls

The PAG report itself devotes considerable time and space to the subject of monitoring trends and the industry's past failure to turn an essentially reactionary mechanism into a more thoughtful one capable of mini-mising for itself the pitfalls which lie in its path.

In suggesting that a rethink of occupants needs for the 1980s could lead to a substantial shift in the scale and nature of demand for office space, the Group is echoing the views of those who advance the theory

employment" will reduce wha

whose good faith will almost as long as their objectives seem to be halting of specific schemes

clerical occupations in West Germany could disappear within 10 years, they have powerful support for their views.

They claim the technologic revolution will upset all the old factors which determined the pace, scale and type of office expansion and that the successful company will inevitably premises or wanting to divest itself of some of its existing space. The only expanding com panies, they claim, will be a handful of specialist operators or organisations which cannot cobe with new tec: whose expansion will be short-

They go on to suggest that in the UK will fall by up to 20 per cent within the foreseeable future, though centres like London might escape the because of its special charac-

Perhaps the tarth lies somewhere between the tradi-tionalists who believe the market place for office space will not change aundamentally, though it may continue to fluctuate wildly, and those who believe that a replution is or

No harm will cope from this debate if the levelopment industry appreciated at the end of the day, that the underlying demand for office spice as they know if is not becessarily finite and that their activities must be subject to repeated reviews. The institutons, who tend to have a certain influence in these spheres tody, could do worse than to ensire such self-examination becomes a way

Michael Cassell

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Some shop rents are falling

the market, crashed by 30p to there are signs of coincidence. L. Messel, had just the recently merged group. Instead of the £12m or so of pretax profits the analysts had been looking for by the end of this year, they now think the company will be doing well to main-

tain last year's £8.25m,

The reasons were not far to has been accelerating by this seek. On the same day that 82 per cent decline. revision the Department of Trade issued its final estimate The overall index was 21 per survey of opinion of estate cent lower than the average level for the first three months of the year and discretionary think secondary shop rents are spending showed the way down. falling. In March only 5 per Spending on household goods, for example, was nearly 51 per cent less than in the first quarter and retailers have been open about their belief that demand has weakened further since the end of May.

Harris Queensway, the brokers mildly pointed out, could not expect to avoid some of the effects of this downturn. Stock turn must be slowing down, putting pressure on working capital requirements at a time when interest rates on overdrafts remain high.

Then there were a couple of special factors which knocked on from the fundamental trading pressures. Harris Queensway has a new carpet warehouse at Swanley, Kent, which should by now have started to produce significant decline in tourism because of cost savings. But, with sterling's strength. throughput slowing down that benefit would probably be survey we have argued that con-delayed. It is also spending sumer spending overall does not heavily on property.

In fact Harris Queensway is and retailers may rightly expect in good financial shape, the the recession to hit them less brokers stress, and well than it will hit industry. equipped to meet the pressures. Next year, if consumer durable sales only climb to average levels, profits should be very

good, they say. again about the company's was that "the purchasing theory, however, has now longer term prospects and power of Sainsbury's customers receded as the spate of merdecided that it had overdone would cease to grow. the fall in the share price which recovered quite sharply on still proposing to expand over market may not be looking so

AST TUESDAY the shares of is a casual relationship between Capital spending, which the run of mergers is now over tenants' fixtures and fittings further the carpet rises and falls in shop rentals reached £50m last year, could or whether the continuing such as escalators and elaborate squeeze on working capital, to displays are a hugely expensive the current darkings of retails sales volumes. Certainly the open marked on an internal content of the current darkings of retails sales volumes. Certainly the open marked on an internal content of the current darkings of retails sales volumes. Certainly the open marked on an internal content of the current darkings of retails sales volumes. Certainly the current darkings of
If so the shop market may revised its profit forecast for have been foretelling the con-the recently merged group, sumer spending decline since last summer. The Investors over the next two controls of the seems will be looking to outside funding stood at 165 in May last year. For at least a proportion of the By November it had dropped cost of these programmes. Sir 2.3 nest cent and the downturn John said that "if necessary would be a limited 2.3 per cent and the downturn has been accelerating. By this

Further confirmation that shop rents have been falling of setail sales volume for May. came in last Friday's FT/RICS agents. Nineteen per cent of agents across the country now cent held that view.

So far as prime shops are concerned 9 per cent now see rents coming down. In March a bare 1 per cent held that view.

Differences

But there are much more striking differences when it comes to a regional breakdown. Confidence has really collapsed among London's West End shop specialists. Forty-three per cent of them now admit rents are coming down. In March the bears numbered only 5 per cent.

Not significantly the West End has been the area hardest hit by the slump in retail volume with the withdrawal of Arab support and a general

However, elsewhere in this look ready-to-turn into a rout

Sir John Sainsbury, one of the doyens of the retailing sector, told shareholders less than a fortnight ago that while ney say. trading prospects were not stockmarket thought wonderful the worst he expected

In the face of this he was Wednesday. But the property the next three years at a sub-market may not be looking so stantially faster rate than in the last three: Sales area is planed In academic circles it is being to grow by 30-per cent over this sation.

It is

Sales, Finance, Development, Management,

Research, Auctions.

ambitious rolling programme of new building and additions, designed like Sainsbury's, to increase floor space by a third

there would be a limited amount of sales and leasebacks" though no extensive bank borrowings. Brokers are forecasting much the same ploy from Mr. Leslie Porter at Tesco.

The sale and leaseback programmes. when they are unveiled, are expected to meet with instant success among the

The big pension funds may have been looking at investment properties somewhat askance for the past year with yields looking distinctly strained by contrast to the money market and gilt edged returns.

But if minimu lending rates are now on the way down the prospects become much brighter that the funds will actually come into the market on the current yield base.

In any case High Street shops have never been quite as out of favour with the funds as, say. office properties over the past couple of years. And units occupied by Sainsbury and Tesco would top any popularity list in any case.

At one stage late last year and in the early spring some pundits were forecasting problems in the High Street as pundits a result of rationalisations following the spate of retail mergers and rescues. The argument ran that each merger would lead to a decline in the overall number of units occupied by the two original overall companies; and the number of mergers was running high enough to put pressure on other operations to take up the

The "gaps in the High Street" gers has belied it. Now opti-mists are talking of the healthy defensive qualities of High Street retailers which can continue to take up the slack of even of strong bout of rationali-

units shaken out.

fittings in the units acquired.

In at least one recent casethe takeover of Maple and Company by Waring and Gillow this gave rise to some tricky problems of valuation.

The fundamental basis of valuation is that properties must be assessed on the special value acutely, conscious of which ignores the special items, approaches to valuation. by a particular potential buyer,

In the case of retailers, where

vulnerable than others, will pro- which ignores the special items. duce more easy prey for the has long been regarded as un-

takeovers so far has been the Chartered Surveyors has, therequestion of property valuations. fore, permitted shops to be in most cases the predator has valued on an alternative basis: been of the same species as its valuing the shell on an open victim. It has, therefore, mostly market basis with an additional been able to utilise existing sum representing the discounted value of current costs of fitting

For one reason or another Maple's valuers were unable to use the alternative although the board loudly, if informally, stressed the surplus it would have created for the company's asset value. As a result retail groups on the defensive ahead open market. They must not of possible takeover must now be

Christine Moir



A NEW 16m office development by Milton Keynes Development Corporation and funded by Norwich Union Insurance Group becomes operational this month.

Occupying a prestigious city centre position, the development (above) comprises two parallel buildings, Ashton and Norfolk house, which together provide about 13,000 square metres

(140,000 sq ft) of office accommodation.

Ashton House is fully let and the tenants -Barclays Bank, Sentry Insurance Group, General Foods and McIntyre Hudson-are now fitting out their premises.

Negotiations are in hand for the letting of 6,500 square metres (70,000 sq ft) of Norfolk House. Lettings are being handled by the Development Corporation's commercial depart-

The reinforced concrete structure of the

buildings is clad overall in aluminium curtain wall, glazed with light and heat-reflecting glass. Each of the two blocks has three 8-person lifts. finished in stainless steel and large enough to accommodate a wheelchair. The buildings have spacious foyers and will be attractively landscaped with generous ground-level parking spaces on three sides.

Central Milton Keynes is the heart of the new city and is rapidly emerging as a major regional office location. There are now 10 office buildings totalling nearly 65,000 square metres (700,000 sq fi) completed or under construction in the area, as well as one of the largest covered shopping buildings in Europe, with more than

Im sq ft of retail space.

About £56m has been invested in city centre development by private investment

New towns face a difficult time

MR. MICHAEL HESELTINE'S empowers the Secretary of think they need not comply with order-or was it only a request? -to the English New Towns authorities to sell £120m worth of properties by last March and a further £200m by the end of this fiscal year seems to have

been a sadly botched affair. Last August it was discovered that Mr. Heseltine as Environment Secretary had ordered all but the youngest generation of New Towns to sell £120m of their assets in pursuit of the Government's aim of reducing the Public Sector Borrowing Requirement by major asset

with the order he held up their development procurrent grammes under a one-month moratorium and held over their heads the threat that if the sales were not agreed their borrowing powers might not be extended to cover their commit-

Not until April of this year did it become widely known that Mr. Heseltine had never had the authority to order such

New Towns

State to authorise sales of com- Mr. Heseltine's request, is con- bate over the way in which the pleted properties of the New fidently expected to get its Royal sales should take place and further development.

Mr. Heseltine admitted in Parliament in April that he had no further power to order sales for wider purposes such as the improvement of the general economy. However, he denied that his dealings with the New Town authorities had been an He had only quested" them to undertake the

Meanwhile, bowever, he was making sure that the powers he To ensure their compliance sought to turn his request into something stronger were being incorporated in the new Local Government Planning and Land (No. 2) Bill.

Two clauses had been introduced into the draft Bill giving him the powers to demand that the New Towns pay him sums money on demand which would come from the proceeds of property sales.

That Bill has got bogged down in the Commons for a variety of reasons but, lest re-calcitrant New Town chairmen be large pension funds).

Towns only in order to finance assent some time in the autumn what would happen to residual before this session of Parliament is dissolved.

At that point Mr. Heseltine will be able to order the towns to dispose of £330m of properties in all-just about half their stated completed properties in the balance sheets in March -by next March.

That could be quite a tall order since the towns have not yet met the £120m target for the original tranche.

Great debate

First there was the confusion over whether Mr. Heseltine's request needed to be heeded.

Then there was an uproar was immoral because it would break up buildings, services and communities designed with the specific aim of preserv-ing development value for the community rather than letting it get into private pockets (even

Third, there was a great deproperties or amenities which decided whether sitting tenants would not be saleable on a com-should be given first refusal on

That debate is still not over. In May Mr. Marcus Fox, a junior Environment Minister, said that the Government had not yet decided what would happen to any unsold assets. It was still "open to suggestions."

Commercial property men had foreseen this problem from the moment the extent of the sales was announced and had proposed various solutions. The most attractive of these would have been to package whole towns or areas as "trusts for sale" so that purchaser would have to buy both good and bad over whether the whole idea properties, rent-yielding buildings and amenities, in one bag. Local communities would also have been able to retain a useful stake in their towns under this system.

> slowed down the first tranche known forced seller. of sales, there was another more specific set of problems.

The new town chairmen claim that a crucial six weeks wtre campaign as the Government their properties and whether the towns should sell freeholds or only long leaseholds.

Meanwhile the recession had set in and industrialists were becoming less than keen on borrowing to buy capital assets when their working capital requirements were also under

By the end of March only about £60m worth of property had been sold or was under negotiation. Since then the recession has deepened, and institutional buyers have become very conscious that the New Towns are under extreme pressure to meet their targets. These now, of course, are for target plus the £200m demanded

The New Towns, then, face a difficult time. It is never a good If these problems and dibates bargaining position to be a

Christine Moir

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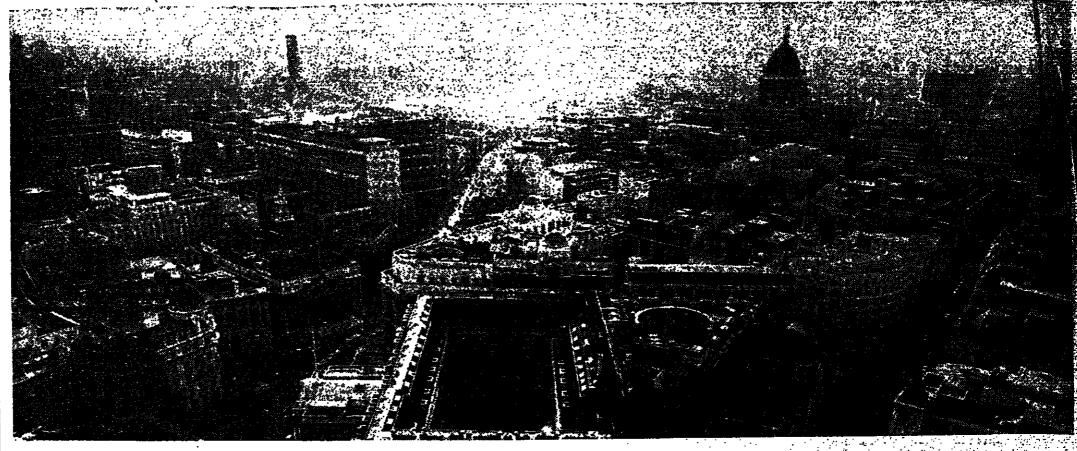
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CITY OF LONDON office rents, having risen sharply during the past 18 months, may now be approaching a plateau as industry and commerce re-appraise investment intentions in the light of the current

Recent deals in and around the City fringes suggest that rents may already be close to peaking and, although demand for top quality space has remained surprisingly strong, few agents, who take a realistic view of the market, would expect the present level of activity to continue

That is not to say that some rental growth may not still companies into the hands of occur during the next 12 receivers.

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period may not be much more than a few percentage points and rent increases are certainly not expected to keep pace with inflation presently running at an annual rate of more than 20 per cent.

However, despite this more uncertain outlook, the City office market has entered the 1980s displaying a stability it sorely lacked for much of the previous decade. The fact that there has yet been no significant erosion of rental values. despite record interest rates since last November, is a tribute to the recent strength of the market.

The City is therefore much more strongly placed to withstand the rigours of recession than it was in 1974/75, when a combination of factors sent rents and canital values tumbling, forcing the less financially secure, highly geared property

Most importantly, the market that demand for City accommo- where Hays Wharf recently can expect to pay almost La a has more than absorbed the dation will continue to be under- unveiled proposals for a 2m sq ft sq. ft. more than Hong Kang vast over-supply of space that was left after the 1974/75 collapse and although a number of major schemes are now underway, particularly on the City fringes, most of these will not be completed and ready for occupation for two or three years — by which time hope-fully a world economic recovery

will be hopefully underway. In the meantime, the shortage of good quality accommodation, particularly large space, should help underpin City rents which, in cash terms, have only recently caught up with levels prevailing before the property collapse.

In real terms, a rent of £23.50 which Deutsche Bank recently agreed to pay for 70,000 sq ft of offices at 6-8. Bishopgate—the highest rental so far agreed for large city space—is well below 1973 levels, after allowing for infla-

Opponents of major developments which are proposed for sites such as at Coin Street on the south bank of the Thames, have argued strenuously that advances such as the micro chip and Prestel will reduce (rather

Emphasise

already a drift away by major office users to areas such as Reading, Slough and Windsor where rents recently have been office accommodation is expecrising relatively much faster than in the the City.

by the Department of Environment and the Greater London Council, the number of office in central London declined from 757,000 to 680,000, between 1966 and 1976.

However, while numbers of office workers have steadily declined over the past 15 years, the amount of space used by individual employees has risen sharply, as routine office functions have been replaced by higher level managerial and financial service functions, such as banking and insurance.

Costa, in its recent review of the central London market, says

It is a view shared by leading

looks secure for the next two staff." or three years until the present building programme starts to work through—there has recently been a much wider debate as to what impact will continued decentralisation of routine clerical work away from London have on the capital's longest-term office needs.

than increase) the need for central London offices.

They emphasise that there is According to figures produced

da Stockbrokers Vickers

pinned by both national and international office users who "need to be near the centre of Government and the specialist financial skills of the City."

commercial agents, Jones Lang Wootton which has recently completed a comprehensive study of the likely future space needs of the banking, insurance, shipping, stockbroking accounting and legal professions in the

JLW, which used Industrial Market Research to carry out extensive interviews - taking a sample of 30 per cent of office users from each sector - concluded: "The general view of those interviewed shows a total likely increase in employment of about 3 per cent, overall, during the next two years, with decline in insurance employment and growth in banking and sectors typically employing While the City office market professional rather than clerical

However, despite the anticipated growth in employment in these sectors, JLW says that there is "likely to be very little; net increase in the amount of technological advances and the space occupied, overall" as ing premises to move to other buildings which are more suitable to the changing nature of their operations. The only sectors where there is likely to be net increases in office accommodation is in the banking, accounting and legal professions, according to the agents.

On new development, JLW say that a total of 4.5m sq ft of useable office space (70 per cent of which is already under construction) is expected to come onto the market between 1980 and 1983. To make way for this wave of new building. however, some 2m sq ft of net ted to be demolished.

About two thirds of the new space planned is for owneroccupation or has been pre-let say the agents, with a warning that "given the recessionary conditions in the world economy, plus the amount of new and refurbished floorspace in the pipeline, it is possible that real prime rentals will be static up to the end of 1982."

While JLW's and Vickers da Costa's well-reasoned arguments support the view that strong demand for an office presence in the City is likely to continue, the picture for City fringe markets and other areas away from central London is less clear.
In the light of present buildthe Property Advisory Group report on the development industry may provide a salutory warning. **Attitudes**

office scheme, a passage from

It says: "The need to con-serve energy, coupled with fast rising travel costs and changing employment patterns will have an impact on tenants' attitudes. There may well be relatively little demand for fresh office development and the industry's efforts will be concentrated on the refurbishment of existing stock with a view to maintaining its value as an investment."

Meanwhile, the City remains. the single most important commercial property market in the world commanding higher office rents than any other major international centre.

A survey conducted of more than 20 leading cities conducted by British estate agents. Richard Ellis showed that for market looks secure. top quality suites of 5,000 sq. ft.

tenants in the City of London

For international tenants, the City offers an unrivalled range of financial services. Leading institutions, such as the Stock Exchange the Bank of England Lloyd's of London and major commodity markets are all situated in little more than a square mile.

Furthermore, although rent in the City are higher than anywhere else in the world, other costs such as wages are significantly lower than inmany leading countries.

A survey prepared last year by the now defunct Location of Offices Bureau showed that when wages and rents are-combined the cost of running an office in the City can work out between 53 per cent and 75 per cent cheaper than in Paris Geneva and Dusseldorf - the most expensive European

The City's position as the world's most prestigious office

Andrew Taylor

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Office rents in the City are higher than anywhere else in the world. Above: view from London Bridge, looking towards the Nat-West Tower

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The confidence of retailers in the West End is at a low ebb. Above, left, a view of Oxford Street; right, Piccadilly Circus

Strength about to be tested as recession bites

West End

for space has emained strong up to the resent. But not even those actors which have established ind sustained the West-End as me of the premier office locaions for UK and—as important -international companies will completely shelter it from the

low being forecast. The West End has over the dication that pressures on corporate finances are beginning opular location, given the to effect decisions on accommoding facilities, the availability refurbishments which are sticking and the nearnes of the Significant numbers of contents of the state of the significant numbers of contents of the significant numbers of contents of the state of the significant numbers of contents lity. In addition, a relatively mall area can offer a range of which characterise much of the

most needs and the restricted help provide it with its air of subject is due to be discussed many smaller businesses fold supply of space has in the past exclusivity, are now looking for further by the Council at the up or relocate where overheads end of this week. supply of space has in the past proved instrumental in supporting rentals and investment activity despite any short-term market difficulties.

For some time, however, there SUGGESTIONS THAT prime in demand, with prime rentals for air-conditioned buildings remaining at between £16-£17 a quare foot by next year seem square foot, though there are ncreasingly optimistic as the some higher exceptions to this conomic situation deterior general level

While inflation may push The market enjoyed a year rents higher over the coming if high activity in 1979 and months, there will clearly be no months, there will clearly be no real increases and there may well be some slipping back. At best a plateau appears to have been reached and is likely to be sustained.

One indication of a weakening market is the reluctance on the part of tenants to make impact of the type of recession. West End deals now involve such considerations. Another in-

verted and restored houses, in office accommodation to suit West End office market and

increasingly opt for purpose-built space. With rents at present levels, tenants are naturally anxious to ensure

maximum utilisation of space and on those grounds older properties have significant disadvantages. Their lure will remain strong, however, for those companies anxious to establish and maintain a corporate identity with the help of their own front door.

inquiry

Of more than passing interest to the West End property mar-ket has been the future of no less than 1.8m sq ft of covered by so-called "temporary" office permits given after the last war. good. The heart of the local A public inquiry to examine the future use of the residential buildings in question was held last year in view of the City of Westminster's determination to see that any further renewal of permits should not be allowed.

The report of the inquiry inspector suggested that perhaps Westminster was being a little bit hasty in its wish to see total reversion to residential should rethink its policy. The space is becoming available as

The removal of nearly 2m sq ft of office space from the West End market would clearly have had major implications, with every prospect that rents for the remaining stock could have moved sharply ahead. The small question of who would commit themselves to the huge expenditure involved in reconversion and who would live in the properties involved may, therefore, not have to be answered. It could well be, however, that the end result will be a compro-mise in which some permits are removed while other buildings are granted full office use.

In the retail sector, prospects for the West End do not look market-Oxford Street and Regent Street—has been ex-periencing declining numbers of customers and lower sales since the end of 1979. domestic recession beginning to bite and tourists fewer and spending less all the predictions of increasingly difficult trading conditions are being fulfilled as the year progresses.

Retailers' confidence is at a accommodation and that it low ebb and more and more

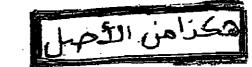
are more manageable. Though it may not be evident to the casual observer, substantial numbers of shop units in the West End are looking for new tenants and with the recession only just beginning to bite the outlook for rents must be fairly

gloomy.

While the smaller boutiquetype traders have so far felt the brunt of the cutback in spending there is growing concern that even the larger mul-tiples will this time find trading conditions extremely tough and it remains to be seen whether larger units of space become available over the coming

Longer term confidence in the West End shops markets is likely to remain intact, however, affording some comfort to the likes of MEPC, which is pressing ahead with its "West One" covered scheme and hopes to have units open early next year.

Michael Cassell



ballroom adaptation of it. charm n. magic spell; amulet; anything that fascinates; attractiveness.—v.t. bewitch; delight, attract.—charm'ed a. charm'ing a.—charm'er n.

charn'el-house n. vault for bones of the dead.

chart n. map of sea; diagram tabulated statement. v.t. map; represent on chart.

chart'er n. document granting privileges, etc.; a patent. v.t. establish by charter; let or hire.—chart'er party n. contract between ship-owner and merchant, by which whole vessel is hired.

chart'ered surve'yor see Keith Cardale Groves



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Industry's ills have yet to cause real

Midlands

INDUSTRY IN the Midlands is suffering badly as a result of me recession, the effect on the industrial and commercial property market appears to be less severe than many had leared although it may be too early for optimism-

Predictably, the number of in-

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in the past couple of months, and larger older premises are proving difficult to let in some areas. On the other hand there still demand for new emises, particularly in some of the major developments.

These include the Fort Industrial Park, where 60,000 sq ft has mostly been let at prices ranging between £1.90 and £2.05 a so ft, and another 200.000 so ft will become available from September onwards. Agents are looking for prices of around £2.15 a sq ft for this space.

Another

important new

Industrial Park at Solihull, undertaken by Bryant-Samuel Investment, in association with the Standard Life Assurance Company. The joint agents are Grimley and Son and Phoenix Beard, who also have the man-

More than 900,000 sq ft of new warehouse and industrial accommodation will be provided on the site eventually, and 200,000 sq ft of the first phase is becoming ampliable this summer. ing available this summer.

The first 15,000 sq ft has now been let at £2.30 a sq ft (the

target price), and more is expected to be let in the next few months at prices ranging from £2.30 to £2.50. Units are being offered in a range of sizes from 5,000 sq ft upwards.

These two key developments in the Midlands area indicate that there is continuing demand for new, good quality industrial pace which is well situated. The Coleshill Industrial Estate, located within 11 miles of the M6 and the M42, falls into the same category.

Completed

This project, undertaken by Shepherd Development, offers new units ranging from 5,000 sq ft to 41,000 sq ft. Under phase one of the scheme, nine units, amounting to 60,000 sq ft, were built and letting has just been completed.

Under the second phase, four units of 10,250 so ft will become prices. available from September, The another five 8,000 sq ft units from November and a further four units of 5,000 sq ft from February next year.

Plans for a third phase are site has been sold for development by an industrial company, but further property may be built for letting. The agents for the development are G. F. Darby of Coleshill and Cartwright Holt and Sons of Coventry.

While many of these premises are achieving rents of £2.30 to £2.50, prices are certain to rise towards the end of this year and early next year as higher building costs are reflected. However, it remains to be seen, in the present economic climate, whether there will be any notable resistance to these.

built up during the property

be reduced. A recent survey by Elliott Son and Boyton showed that in March this year, there was around 750,000 sq ft of prime accommodation available in the central Birmingham area. Space taken in the six months period prior to March amounted to more than 230,000

A similar survey conducted by Phoenix Beard in mid-June showed that space available in the central area had fallen to around 716,000 sq ft, compared with 900,000 sq ft in September last year. Their figure for the Edgbas-

ton area was 178,400 sq ft. virtually the same as Elliott Son and Boyton's estimate for March, indicating that in this available as it can be rented. Rental prices now range from around £5.50 a sq ft in the central Birmingham area — a figure which has prevailed for about the last 12 months, to £2.00 to £3.00 on the fringes of the city centre. Although a great deal of property in prime areas is coming on the market later this year and early next, prices of perhaps £8.00 to £9.00

a sq ft by the end of 1981. Overall, it is estimated that the stock of space available in the city centre and Edgbaston areas have dropped by up to 20 per cent since September last year — a factor which has clearly put upward pressure on

There is also evidence that the effect of the micro-proces-sor revolution is being felt in offices - possibly a factor leading to lower demand - but this is countered with the theory that companies introducing new equipment of this kind are allowing for more space per office worker.

Although there are reports of deals now taking place at up to £7 a sq ft in choice locations, the picture is very different in some of the surrounding areas of the Midlands. In the suburbs, for example, some agents are finding it difficult to attract tenants at rates as low as £1.50

property market in general appears to be performing well. there are some nasty patches which should perhaps be taken In the office property sector, as a warning that economic Birmingham's stock of space factors cannot be ignored.

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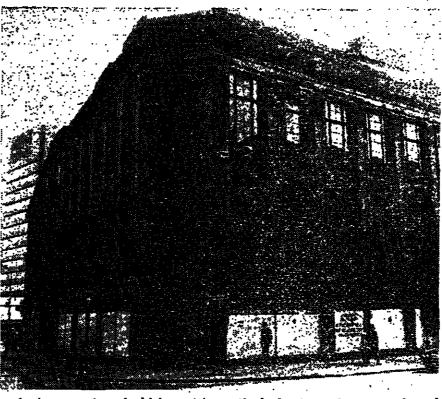
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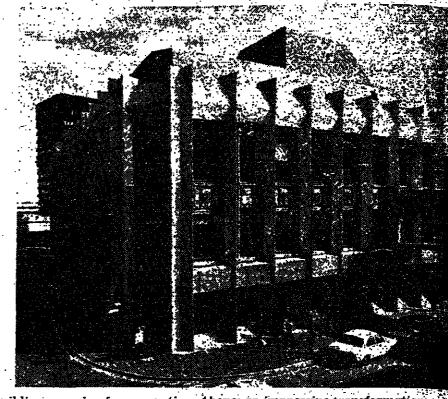
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An increase in refurbishment is particularly strong in areas where buildings are ripe for renovation. Above: an impressive transformation, showing, left, the exterior of the old Co-operative store in Blackburn and, right, after conversion by Building Design Partnership into a new Central Library

Consolidation of achievements

The. North West

TWO IMPORTANT milestones have been reached in the North West property market over the course of the past year. In prime office locations, rentals of £4 per square foot have been sought and obtained while for top quality new industrial space an sking price of £2 is also being

But if the past year has been one of continued growth in

In the North West, as in other been taking place, with new systems, than 8 per cent and perhaps systems. most disturbingly the unemploy-

drawn strength from the expan-sion of some of its most market in the North West, with important industries, including little prospect of major new European Airlines project which is expected to be a major in Dukinfield.

creator of new jobs throughout

Europe over the next few years.

region at the

Growth

The North West has also been sharing in the growth of micro-electronics through Ferranti, which is currently undertaking rentals—helped in the office a major investment programme sector by a slowdown in the at Oldham, through Inter-rate of new building in impor-national Computers which has tant centres such as Manchester much of its activities in Man-the period ahead now looks chester and through such newlikely under the weight of comers to the area as United recession to be one of consolida- Peripherals which is building a plant in Crewe for the research. development, engineering, and parts of the UK, a major shake- manufacture of rotating disc nut in manufacturing industry memory products for computer

developments only partially re-placing the jobs and value of however, there have been dis-Even in this expanding area, output lost. In its annual report appointments, including most earlier this month, the North recently the abandonment of the West Industrial Development proposed microelectronics plant Association pointed out that which GEC and Fairchild were some 42,000 jobs in the region to build at Neston in Cheshire. had been lost in the previous. The two companies for different 12 months compared with 38,053 reasons have decided not to proin the corresponding period a ceed and the factory which is year earlier. Unemployment in already under construction will ie region has risen to more be used instead for defence of the accommodation. The contraction of industry in

ment/vacancy ratio is currently the area has meant that large floor space, and although contwice that of the UK as a whole. amounts of vacant space, much siderable industrial space is

aerospace. British Aerospace, users being found to fill it Thus, with factories at Preston. in Liverpool, a 287,000 sq ft site requires, demand remains at Edge Lane, formerly used by reasonably strong. This means order book totalling more than 13bn and is a partner in the in Manchester. ICL is trying to good access for long vehicles, because of 1200. dispose of 212,000 sq ft of space Vacant industrial space in the

region at the end of March totalled 17.5m sq ft in 401 different buildings, and although this is slightly less than a year earlier it seems likely the total will have introduced substantially over the content. creased substantially over recent months. Space available in old mills totalled 5m sq ft at the end of March, with 76 buildings still looking for new occupiers. Further mill closures since then have added to this total. The pattern in the past has been for mills to be redeveloped

for multi-occupation by small businesses many of which are unable to afford the rentais charged in newer accommoda-tion and this is likely to be the eventual fate of most of the mills now coming on the mar-One of the biggest old properties, Cramer at Middleton with more than

The key in this case has been the high proportion of ground

of it in large units on one site, available in the region property agents report that for certain or more often warehousingand in reasonable proximity to the motorway network.

Smaller units

The main demand is for units of 5,000 to 15,000 square feet suitable for warehousing though in the inner urban areas of Manchester and Liverpool much smaller nursery units have also been popular. -

In greater Manchester, the south and west, including the airport and Trafford Park area. have proved particularly attractive for warehousing because of their good motorway connections. There are signs, too. that the extension of the M63 motorway through Stockport will raise the interest of developers in the eastern part of the area.

have also been able to take 500,000 square feet of space, is advantage of good motorway being adapted in this way to provide units ranging from and industrial development, W. H. Robinson, rental levels square feet to 10,000 with Warrington for example generally are likely to be at planning new accommodation.

> In offices, the main trend depend on just how deep the over the past year has been a present recession proves to be. significant reduction in Manchester—the most important

agents report that for certain —in the amount of new types of accommodation con-property becoming available taining features that industry— and this has resulted in sunning and demand coming back her balance. Among the most important lettings have been the decision by ICL to take a substantial part of the office accommodation in the new Arndale centre in Manchester

Within Manchester's banking district, in the King Street/ Spring Gardens area of the city, the slowdown in new building placed increased emphasis on refurbishment, mostly for smaller tenants, with almost 100,000 sq ft of space currently believed to be receiving this treatment.

Estate agents expect a growing shortage to develop over the next few years with consequent implications for rent levels and a possible increase in interest in suburban locations in the Manchester area such as Sale, Altrincham, Streiford and Stockport. The £4m rent levels now being achieved are for good quality office space in the prime The area's four new towns—
The area's four new towns—
Warrington, Runcorn, Skeimers—
dale and Central Lancashire—
to be completed opposite Manchester town hall next year, to the city council at £4.95 per sq

- Rhys David

Patchy optimism in face of recession

Scotland

THE RECESSION is biting hard and deep in Scotland, pushing unemployment to its highest level since the war and reducing business confidence to a

depressingly low level. The catalogue of company closures and labour redundancontinues tangible evidence of the erosion of the manufacturing base of the country that has been noticeable in the statistics for empty and idle for months and years and are likely to remain so for the foreseeable future.

Against this background it is wonder that the property market can maintain any opti-mism at all-but it does. There is no doubt that the recession is now making its mark on lettings, most obviously for manufacturing space, less so for warehousing, retail and office accommodation. Yet demand is still sufficient to justify some new development and-at least in some areas-rents are

Glasgow is the third largest centre in the UK for office space, yet rents have lagged behind those in other Scottish cities such as Edinburgh and Aberdeen because demand has been running below supply. Agents Richard Ellis, in their review of the Scottish market published a few weeks ago, argues that this situation is: about to change. Over the next few years a slower pace of development will bring supply much more into line with de-

The effect is bound to be an increase in rents and Ellis predict that asking prices could reach a record £5 per square foot for the central area of the

city.

This would be comparable to what is being demanded in Edinburgh, where the rigid planning restrictions imposed

Development in the historic new homes and parking for central area and the high cost 1,500 cars. of refurbishment have kept

The poor economic outlook and the cutback in Government spending, which has hit demand for space from both national local government bodies, has relieved the pressure in the capital, although there is still a market for smaller refurbished units in the prime central area. Larger premises outside the central area are more difficult

Aberdeen, for long the most expensive location in Scotland for office accommodation, conmany years. Many areas, partinues to be buoyed up by the ticularly in the west, contain extensive requirements of the large factories which have stood North Sea oil industry.

Continuing activity

Several of the larger oil com-panies with sizeable back-up staffs for their operations have now moved out of the city centre to purpose-built blocks on the periphery. Recent movers include Shell. BP, Conoco and McDermott.

This has released some space. in the centre for other users, but the pace of activity in Aberdeen is such that it is quickly taken up. Nor are there quickly taken up. Nor are there any signs that activity will slacken. Grampian Regional Council has estimated that a further 5,500 office jobs will be created in the city in the next five years and Kenneth Ryden and Partners, surveyors' agents. Who have recently opened an who have recently opened an Aberdeen office consider this figure to be on the conservative

Major redevelopments are either underway or are planned in Glasgow, Aberdeen and Edimburgh.

In Glasgow a number of blocks are being demolished and developed and a very large project is planned on the site of the old St. Enoch's station, close to Argyll Street. In addition to offices for civil servants being moved from London by the Ministry of Defence, the £40m scheme will include a shopping complex with a department store, a 250-

the District Council for bedroom hotel, an ice rink, 100

In Edinburgh the site of the Waverley Market, close to Princes Street, is being developed to provide a shopping precinct and civic centre. An office and conference centre complex is planned for a site in Lothian Road. Several hotels are under construction, Including one for the Hilton group. Aberdeen has not seen so

much central redevelopment as the other two major Scottish cities, nor has there been much refurbishment of older properties. One substantial scheme has been proposed, however, for a 12-acre site around George Street and will be the subject of a public inquiry later this month

On the industrial scene, although demand for large units is slack almost to the point of non-existence, smaller factories (below 10,000 sq ft) are still wanted if they have good communications. The Scottish Development Agency (SDA) and the new towns tend to cater for most manufacturing needs, offering rent-free periods and other grants and loans and leaving the private sector to cater warehousing and distribu-

For this reason there is an increasing trend towards breaking up larger factory units. BSC (Industry), the job-creation subsidiary of the Steel Corporation, has done this very successfully with radiofully with redundant works in Glasgow and Lanarkshire. The SDA is doing the same thing with the Singer factory at Clydebank, which it recordy bought, and in the private sector Richard Ellis and James Barr and Son have let most of the units at the 200,000 sq ft plant they split up in Livingston Street, Clydebank.

Retail demand has continued strong, especially for good locations in smaller towns, but it can only be a matter of time before the erosion of real incomes by inflation acts to take some of the cream from the top of the

Ray Perman

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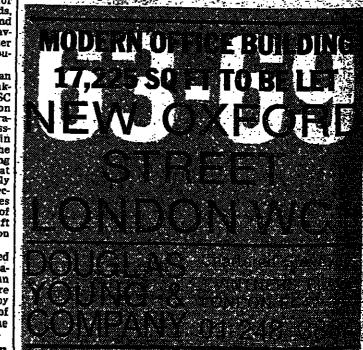
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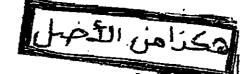
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والمنامن النصل



Market surprisingly buoyant

Northern ireland

THE COMMERCIAL property despite almost daily industrial closures, a remorseless rise in

retail and service trades, who are seeking to sell their free-hold properties with lease back nents to ease shortages of capital and to lessen their borrowing requirements. The move of such companies away from freeholds to leases is keeping up demand for rented properties while those that are for sale are not always quick

40 find buyers.

Adother trend which gives cause for satisfaction is the return of institutional investors after cold shouldering Northern Ireland for much of the past decade. It is yet to become a flood, but several commercial estate agents in Belfast report a greater readiness among insurance companies and pension fund trustees to consider properties in the province or to commission new developments.

Example

One recent such sale-not to complete outsider in that the parent tobacco company has large factories in Belfast and Ballymena and elsewhere—was the sale for £700,000 of Belfast's 11-storey Fanum House office block to Gallahers' Pension Fund with an annual return of about 10 per cent. The agent who handled that sale is currently negotiating with two other institutional investors

over Belfast property. Construction of new office buildings has fallen considerably since its peak three or four years ago but nonetheless two substantial developments are under way within 300 yards been launched by agents work-of the City Hall, with a third ing for a major development evelopment approved and group.

ork about to begin. Meanwhile, there is some
Surprisingly, for all the tendency for modern property work about to begin.

FOR SALE

reports of family budgets under intended originally for indus an expanded advance factory-pressure, and of Northern trial or warehousing use to be building programme this year freland's jidespread poverty, switched to retailing. This is to restore its recently depleted better towns, here such as Bangor, Antron or Coleraine

unemployment — now about say they are doing better than in the foom.

To,000—and pervasive economic business here than in the British regions. They are looking for larger and better shops number of companies, mainly in here, together with numerous retail and service trades, who local firms. The former staid Bank Buildings department store on one of central Belfast's finest sites is about to be re-opened by is about to be re-opened by Dublin's teenage-orientated Primark clothing group, which has completely gutted the place. Meanwhile, Primark's spacious former store is to re-open as one of Moutagu Burton's revamped "Top Shops," while the tailoring group's traditional and smaller Belfast outlet is being retained 150 wards away.

being retained 150 yards away. The Mothercare group is another national multiple planning to open in Belfast and now seeking large city centre premises. New town centre shopping

ture of private enterprise, Stormont and the local authority, are under way in Antrim, Ballymena and Portadown, while in Derry the site is now cleared for work to begin on the ambitious £16m Richmond shopping develop-ment. This complex is severely needed in a city which was never too well endowed with shops and whose shortage has been worsened by the terrorists' depredations over the past 10

Construction of large drive-in hypermarkets in Northern Ireland has passed its peak demand for which, in a population of only 1.5m must in any case be finite. Nonetheless, the potential for such a venture in the Lisborn area, 10 miles from Belfast, has been identified and a search for suitable site has

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EADON LOCKWOOD

close to the M1 motorway. Now sent economic blizzard abates, several other mainly do-it-your-Meanwhile, the Department's

hands of Stormont's Department of Commerce and its subordinate agencies, sometimes acting speculatively and other-wise in association with specific client companies. Despite the recent rash of factory closures the DoC is pushing ahead with

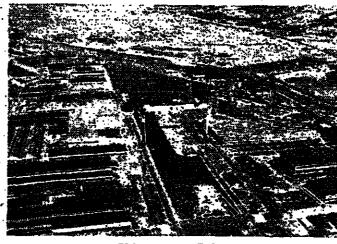
the demand for good retail exemplified by the success of stock of ready-to-occupy off-the-properties remains high. "It is the MFI discount furniture shelf fatcories of various sizes no trouble at all to shift a good group on what was a small to tempt incoming industrial shop in Belfast or in any of the industrial estate at Lisburn investors as and when the pre-

Meanwhile, the Department's

market in Northern Ireland one estate agent remarked. "It self-prientated retailers are stock has been gratumously and remains surprisingly buoyant is all part of our long under known to be seeking reeden unhappily increased by the despite almost daily industrial provision of good-class shops spacious accommodation in unexpected decision at the end such secondary locations with of June by Grundig, its first-unemployment now about say they are doing better easy access and plenty of ever German tenant which business here than in the parking space.

Factory-building in Northern 1,000-employee factory at Department October Owned by the Doc. the October. Owned by the DoC, the Grundig factory is now on offer to any suitable tenant company which, if it can promise a similar number of jobs, can probably get it for a song.

Robert Rodwell



Shipyards in Belfast

New developments industrial sector

built.

inquiries for new space are con-

tinuing to flow in. Furthermore,

the Government is prepared to be more flexible about types of occupancy, which it foresees

will help letting. Hitherto,

advance factories have been

generally limited to manufac-

turing enterprises.

Wales

DEVELOP-INTERESTING MENTS are afoot in the Welsh industrial property market. A few centres apart, Wales is not a region which has traditionally attracted the attention of private investors and developers. and large, the task of meeting the demand for industrial accommodation has been left to the public sector which, in recent years, has meant, above all, the Welsh Development Agency, Wales' equivalent of the National Enterprise Board. Where the agency has not been active, its country cousin, the Development Board for Rural Wales, and the local authorities have tended to meet

local requirements. Let from now on, it is clear that the private sector is going to play an increasingly im-portant role in the Welsh indus-trial property market, as the WDA moves to involve pension and other funds in its estate and

factory building activities.

As things stand, the WDA is not only by far the largest industrial landlord in Wales, but also the major builder of estates going to and factory accommodation. Its total stock of factory space agency's presently amounts to well over which, in practice, means 16m square feet and it has up selected sites and premises to 3m square feet in addition— adjacent to the M4 motorway either under construction or at in south Wales, and certain various stages on the drawing parts of north-east Wales. But

From the moment it came to power a year ago, the new Conservative administration made clear it was anxious to involve the private sector in the WDA's property activities - not least as a means of reducing the level of public funding.

The agency itself was not unhappy at this policy. Mr. Ian Gray, the WDA's managing director, stresses that the agency has constantly strived to property portfolio into line with

rivate-sector practice. Talks were first initiated be- ture over the next two years on ween the agency and selected But then there was autumn.

dramatic cutbacks announced in the Welsh steel industry, both attractive sites will also enjoy on the agency's activities and on the industrial property mar-

By the time discussions re-sumed in the late spring, the WDA had established a formal link with Healey and Baker, the international property agents and valuers, its role being to provide both closer contact with the private sector and carry out part of the executive services needed for a link-up with private funds.

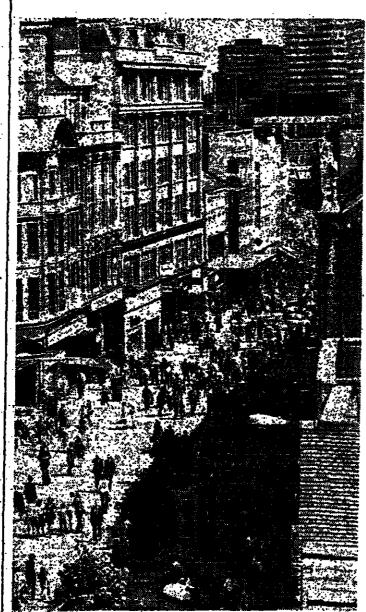
Two schemes

Negotiations are now reported to be nearing completion on two schemes each involving private funds taking over the financing of part of the agency's forward programme of industrial build-At the time of writing, the precise form of participation has not been settled in detail. In some cases the fund management will actively participate in the site selection and specification and the building programme and make their own management arrangements. In others, the WDA will build and sell to the fund and then manage the day-to-day running

of the investment. Clearly, the private sector is going to plump for the more sections of the agency's building programme, the agency is content, since private participation-and the two negotiation could eventually provide as much as £10m in capital - re leases its publicly funded budget for uses in other parts

The general economic climate apart, the main uncertainty from the private sector's point of view is perhaps the sheer quantity of new industrial space in Wales which is due to be developed in the near future.

The Government has set aside no less than £63m for expendiindustrial estates and advance factories—as a major plank in the effort to attract new jobs a pause as both sides stopped to replace the thousands lost in to assess the impact of the the Welsh steel industry.



The Government is anxious to involve the private sector in the Welsh Development Agency's property activities Above: commercial area in Cardiff

How far private sector par-ticipation will go, remains to On the other hand, many substantial regional developbe seen. But the WDA has been ment incentives because of the clearing the way for as much steel difficulties which should involvement as possible by congreatly aid the task of attracting tenants. Bridgend, for example, a prime location where leases which it inherited to standard 25-year leases, with five year review clauses. This the industrial property market has become very tight, has been process has already brought designated as part of the Port Talbot special development area, offering maximum grants. about a sharp improvement in its average rental from 28p a sq ft in 1975 to nearly 40p a sq Investors will also have the

But more important from the fund manager's point of view, it has insisted as far as posbacking of the WDA's substan-tial promotional effort which has proved extraordinarily sucsible on rentals for new lettings, cessful in filing its new factory following reflecting market trends, in order to provide the kind of growth the priavte secspace almost as fast as it can be Despite the current economic tor is looking for. climate, the agency says that

Today's industrialist moving into Wales is likely as not to be offered a two-year rent-free period. But beyond that, he can expect to pay £1 a sq ft, double the level of four years ago. In the most attractive locations, it could be as much as £1.50 a sq ft. Robin Reeves

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Hillier Parker's eye on the world



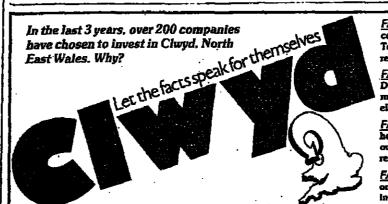
This interesting little property stands on a craft workshops and leisure complex in North Dakota with good communications and excellent tourist access. Based on a traditional design, it is cheap and quick to build - although it takes a little while these days to obtain a licence, shoot the necessary bears and buffaloes, skin them, stretch and dry the pelts and paint them. The accommodation can be easily relocated mainly by rolling it up and stacking it on the backs of available squaws. Alternative forms of external cladding include birch bark and incidental prestige decoration may consist of the architect's scalp.

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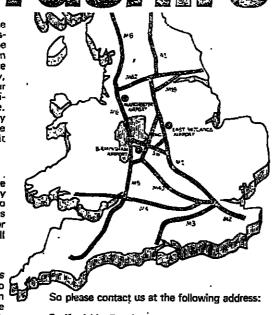
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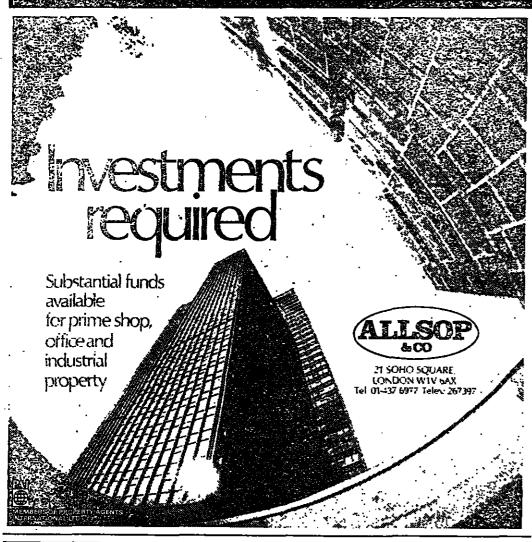
These are just some of the reasons why currently the demand for industrial floorspace far exceeds the supply available. Naturally this means that the ideal time to invest in Staffordshire is now. The opportunity has never been greater for potentially high returns for financiers, industrial organisations and small businesses alike.

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Quiet industrial market depresses speculation

NATIONAL INDUSTRIAL RENT TABLE

Secondary rent

THERE ARE currently some 12.9m sq. feet of industrial buildings under construction compared with 13.3m sq. feet at the beginning of the year—the fall in the amount of factories and warehouses now being built indicates that developers were beginning to sense a fall-off in demand towards the middle of 1979, when the planning process (for most of the space now under construction) would have been finalis**e**d. • Whether developers lowered

their sights soon enough will be seen later this year when the level of tenant demand becomes apparent. Despite the growing economic gloom surrounding the country at the moment, there is little evidence of any marked fall off in demand from industry for new space. However, in some parts of the

country there is now more space available than at the beginning of the year and there appears to be a two-tier market developing once more, with the more prosperous areas of the country faring better than the other

In its last survey, agents King and Company, the industrial agents, estimated that there vere some 35.8m sq. feet of factories either vacant and to let or for sale, and around 22.4m sq. feet of warehouses.

vacant premises exceeding 100,000 sq. feet which fell from 60 in December to 44 in May. indicating that the larger incompanies were still leasing and buying factories and warehouses in the early months of this year. In December, 1976, when the

climb out of the collapse of 1974, there was a total of some 85m sq. feet of factories and warehouses on the letting market of which factories accounted for some 50m sq. feet. There was a marked decline until last August, when the amount of vacant space began to creep up again.

This trend reflects the rapid growth in rents which prompted property developers to build more space in the hope of cashing in on the apparent bonanza. Several companies found that while office development was still not viable it was possible to build factories and ware-

To a large extent, this was institutions were willing to for- substantial pre-letting. ward fund industrial develop-

£ per sq. ft. £ per sq. ft. Aberdeen 1.75-2.25 0.50-1.00 Birmingham 1.20 Bournemouth 1.50-1.65 0.90-1.20 1.60-1.70 1.20 Cambridge 1.20-1.30 Cardiff 0.90 1.20 Cheltenham 1.50 1.00-1.25 1.50-1.60 Coventry 1.20 E. Midlands 1.20 1.50 E. Surrey 2.25 1.75-2.00 1.50-1.80 Edinburgh 0.50-1.00 1.40-1.60 Glasgow 0.90-1.10

Prime rent

Source: Bernard Thorpe and Partners, (Feb. 1980.)

		Section of the second section in
-	Prime rent	Secondary rep
Area	£ per sq. ft.	£ per sq. fi
Gloucester	1.40-1.50	
Leeds	1.15-1.65	0.75-1.00
Liverpool	1.35	up to 1.00
London GLC	2.50-3.75	2.50
Home Counties	2.50-3.00	2.00 🔹 🚺
Manchester	1.45-1.70	0.754.10
Newcastle	1.10-1.75	0.50-1.00
N.W. Lancashire	1.35 aver.	up to 1.00
Sheffield	1.45-1.65	About 1.00
Tunbridge Wells	up to 1.80	1.25-1.40
Worcester	1.25	1.00
York	1.25-1.35	0.75-1.10

Over the past 12 months, industrial rents, particularly for wavehousing and light, high-technology engineering space have moved ahead sharply, with the greatest advances in the South-East

ment in a way which they had Allowance Act in the Budget not previously done. In the past, has increased the number of industrial development, arguing The most significant change that the life span of factories developers of these schemes noted by King and Company in and warehouses had been short bave found it much easier to

Investment

Even today, few institutions have more than 5 per cent of their total property portfolios invested in industrial property. The fact that you obtain so much more for your money in factories and warehouses precludes them from having the same proportion of industrial

in the amount of new industrial building starts in the second half of 1980.

The forward funding market industrial market and reports from agents suggest that in some parts of the countrynotably the North East and South Wales regions—it is virtually impossible to raise construction finance for speculative only possible because lending industrial development, without

new small unit workshop schemes being undertaken and the December, 1979, survey was in comparison with shops and raise the construction finance, the fall in the number of offices.

Despite the economic gloom demand for these type of units in London and the South East has remained strong.

But developers and the lending institutions are worried, nonetheless, that the current high interest rates will deter small companies from expanding and stop new concerns starting up. The small unit starting up. market is new and no estab-But there are now signs that it is becoming more difficult to forward fund developments and this will lead to a drawner.

In the most popular locations London-to the north-west and west, around London Airport-warehouse rents in key is the most useful barometer to sites have reached above £4 a judge the future activity of the sq ft, higher on some estates, while the average for major schemes in well-located London areas is around £3.50 a sq ft. Elsewhere in the South-East.

rents are pitched between £2 and £2.75 a sq ft, with Portsmouth, where demand is strong, seeing levels of £2.50 a sq ft. Hampshire agents L. S. Vail, state that nursery units in Portsmouth have commanded to £2 an increase of some 6 rents of £3.25 a sq ft. To some extent building costs are reflected in the higher level of rents in the South-East from other parts of the country. For

of £17 a sq ft, while in Leeds £14 a sq ft is usual.

London and Home County rents vary from £2.50 a sq ft to £4, while in Leeds industrial rents have hardly broken the £2 a sq ft barrier. Although it must be remembered that Leeds is losing its intermediate grant status and a number of incentives for manufacturing industries are being lost.

example, industrial buildings in

London and the Home Countles

with a 10 per cent office con-

tent, are generally of the order

But the same level of building costs is usual outside the South-East region and rents are, in general, far lower. There are exceptions—in Aberdeen, for example, very high rents have been achieved on estates letting to oil, and oil-related industries.

The West Midlands is the one region of the country where building costs for industrial space seems to be much lower than elsewhere and this must be attributed to the fact that while other areas of the country rely on London-based development companies to build industrial space, the West Midlands. has a number of locally-based industrial developers. There are at least 15 Mid-

out significant schemes in the region and the fierce competition between them ensures that building costs are trimmed to a minimum, but the same does not follow for rents which are areas worst hit by the economic generally pitched between £1.50 depression, but are still rishing. and £2 a sq ft for modern single in other parts and particularly storey factories and warehouses. on prime located estates to the storey factories and warehouses. Industrial rents in the North-

West, on the other hand, reflect the lack of demand, for example in Speke, Merseyside, it is still possible to lease space at 30p a sq ft on one huge complex adjacent to the air-Manchester has seen indus-

trial rents rise over the 12 months to the end of June, 1980, from around £1.20 a sq ft

signs that rents have levelled off. Some property experts be towards the end of this year unless demand picks up.

Over the country, generally there is unlikely to marked over-supply of ind trial space this year, although mean that the bulk of the space currently under construction will remain unlet but there is little chance of seeing the balance of supply and demand getting as widely out of line as it did in 1976._ _

Decline

Because of the shorter con struction period for industria buildings, it is much easier fo developers to turn the suppl off and most property experience that the amount of buildings under construction will fall to around 10.5m sq. \$ by the end of the third quarter

It is likely that in the short term there will be an over supply in some parts of the country and that rents will level off or even fall back. marginally. But because there will be no dramatic over supply it is doubtful whether tenants will obtain much bene-

lands-based companies carrying existing development market is somewhat quieter than this time last year, and the total of industrial space under con-

To sum up the situation in the United Kingdom industrial

depression, but are still risking West and North West of Lon-

Institutions are becoming in creasingly reluctant to lend for industrial development until the developer can show significant pre-letting of the space to be built which is making it more difficult for developers to start fresh speculative schemes.

Rory Ferguson

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New legislation to benefit developers

COMING to power almost 14 months ago, the Government has been busily re-writing large sections of legislation affecting commercial property development and investment in Britain. However, it remains questionable the extent to which developers will be able to take advantage a less restrictive legal, financial and administrative framework in an increasingly harsh economic climate.

The changes, many of which are embodied in the Local Government Land and Planning Bill, now at the report stage (from Thursday, July 3), include measures designed to ease planning delays, improve the availability of land for development and reduce central and local government intervention in the sector.

Among the more important changes are the scrapping of the Community Land Act and the reduction in Development Land Tax to 60 per cent. The Community Land Act—forming one half of the Labour Government's community land scheme —was introduced in 1975, followed a year later by new legislation on Development Land Tax. The Act was designed to enable local authorities to take a more active role in planning and development, providing them with wide powers to acquire building land.

In fact, the introduction of the Act coincided with a squeeze on local authority spending and therefore was never very widely used. However, it was seen as a serious potential threat to the future of the private construction in-dustry. Under the Act it was envisaged that eventually local authorities would acquire all development land at only current use value. Private development would eventually have been permitted only on land that had passed through local authority hands.

The scrapping of the Act therefore removes a longerterm threat to the industry and means that local authorities will be able to sell freeholds and to offer longer leases

-measures which are strongly sory purchase powers under the sought by the major investment CLA. institutions.

The reduction in Development Land Tax came in the June, 1979, Budget. Before then, the tax (seen as a way of clawing back some of the financal gains made by land-owners when planning permission is granted). stood at an interim concessionary rate of 663 per cent against an official rate of 80 per cent with plans to increase it eventually to 100 per cent. The Conservative's first budget reduced the tax to 60 per cent —perhaps not as big a reduction as the industry would have hoped for, but nevertheless welcome—and increased the allowance for the amount of development value raised in a

Greater flexibility

year free of tax from £10,000 to £50,000.

Further changes in the assessment of DLT liabilities allowing more flexibility were foreshadowed in the March Budget and are now embodied in clauses in the Finance Bill at present before Perliament present before Parliament. However, some people—in-cluding Mr. John Heddle, Con-

servative MP for Litchfield and Tamworth—believe the Government has not gone far enough. Mr. Heddle says that the repeal of a large part of the Development Land Tax Act would give the construction industry a "badly needed shot in the arm."

Accordingly, he introduced a Development Land Tax (Amendment) Bill. Although he has accepted that it has little chance of reaching the statute book, he sees the Bill as part of a campaign for further of a campaign for further changes in the next Budget. Opponents of the tax and of the CLA have claimed that the legislation has effectively prevented potential building land

from coming onto the market. Merseyside's dockland areas They argue that owners were and plans for up to eight either not prepared to pay over experimental enterprise zones. a large part of a development gain to the tax man or that they were afraid of local authorities using their compul-

suggest that the Act prompted

land hoarding by local authorities and the legislation therefore appears to have been a poten-tial rather than real threat to land availability. However, as a further step towards releasing land for development, the Government last month unveiled its plans for setting up registers of unused land and forcing its sale, where necessary, to the private

Under the proposals, registers

are to be set up in 21 areas of

sector.

England early next year listing all public sector land which is unused. Provisions in the Local Government, Planning and Land Act will enable Mr. Michael Heseltine, Environment Secre-tary, to order the sale of surplus land. The areas covered by the registers are predominantly in the North and are areas suffering from inner city decay They include the conurbations of Merseyside—where it has been suggested that about 1,000 acres of waste land—in Man-chester, Newcastle, Leeds, Bradford. Coventry, Birmingham, Dudley and Stoke. In the South, Bristol Bristol and the London boroughs of Ealing and Wands worth are included.

Significantly, many of these areas were covered by the Labour Government's inner city legislation. The present Government has undertaken a major review of this legislation aimed at streamlining the existing partnership machinery and more directly involving the private sector in plans for urban

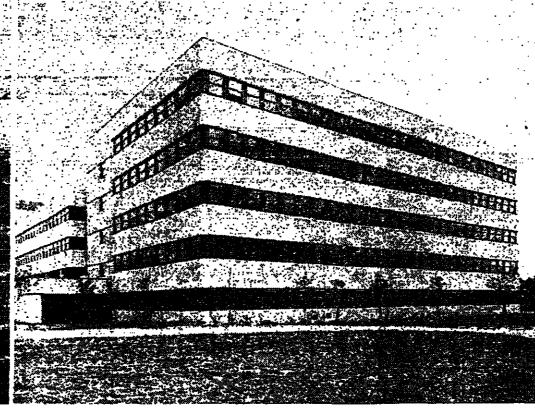
The most controversial cons and potentially the most signiporations in London Merseyside's dockland

One of the main objectives of these initiatives will be to reduce planning delays in the inner cities and to "change the

CONTINUED ON NEXT PAGE

المكنامن التصل





A twin office complex development (left) in Chiswell Street, central London: and, (right). Delf House, the Go-operative Bank's new £7m Customer Service Bureau at Skelmcrsdale, Lancashire

Institutions remain dominant force in development field

DESPITE SUGGESTIONS that shown no sign of weakening lopment, the figure had risen another "property boom" is on under the groaning weight of the way, a term which more finance at their disposal or their often than not conjures up migaes of rapidly changing skylines and impending calamity, the level of development activity in the UK over the last 12 months has been far from

But neither has the industry been dormant, with output across a broad front combining to represent the most active development scene since the last slump. While the level of activity itself has in some respects been reminiscent of the good-old, bad-old days," the guidelines under which it has been carried out have nevertheless been subjected to some fundamental changes.

Speculative development has been much less conspicuous, with the majority of schemesmost notably in the office sector —built with specific occupiers in mind In addition, the institu-tions have become the pre-dominant force in the development field, providing the bulk of the finance, often developing direct and bringing to the industry a caution which has effectively denied previous excesses and which should strengthen its ability to with-stand the impact of whatever

. lies ahead There is another viewpoint, While few would however. deny that the emergence of the institutions as funders-developers and ultimate purchasers was a natural and necessary repercussion of the last crash, their notorious caution is regarded by some os nothing less than debilitating conservatism in a field where entrepreneurial flair should

The institutions have shownthemselves unwilling to stray from the prime prime property path, sticking firmly to highly desirable investments which are well located and physically adaptable. Their determination

121

increasing readiness to become involved in one of the best longterm investment options open to

While this very trend, com-bined with the refusal to enter-tain truly speculative schemes of any scale, may now be seen as a major factor in ensuring that the property market as a whole comes through the present recession in fairly good shape, the institutions' influence is not universally welcome.

Some of the traditional development companies believe that the institutions have merely taken a direct foothold to fill a gap left while they themselves complete their convalescence and that their respective positions will eventually be restored. Others feel that the growing encroachment of the insurance groups and pension funds is unlikely to be halted. The recent report from the Property Advisory Group pointed out that many of the funds became directly involved in property development by necessity, left to complete schemes they were finding when

Style and quality

ing the last crash.

the developers succumbed dur-

The experience they gained encouraged them to continue in development in order to reap the developers profit and to control the style and quality of any given scheme. Another major reason for direct institu-tional investment is their need to create good property invest-ments for their respective funds at a time when competition to acquire prime property is fierce and vields are at an historically

Small wonder that the insti-tutions look set to stay. A recent survey of pension funds showed-that while, five years adaptable. Their determination are, only 17 per cent were pre-to maintain such standards has pared to undertake direct deve-

to around 30 per cent by early 1979. This trend has without doubt been followed among financial institutions.

It is a trend which worries some within the industry. Earlier this year, Mr. Julian Markham, chairman of Glengate Properties, was driven to claiming that the institutions and their advisors were exercising unwelcome and heavy influence" on the development industry and had become blinkered in their property investment policies.

Mr. Markham harked back to imagination and fiair " which created the last boom. pointed out that it was still around to be tapped and sug-gested that the developer should now be handed back the role of creative catalyst in a relation-ship where the institution provided funds and not all the

Mr. Sydney Mason, whose Hammerson Property and Investment Trust still refuses to contemplate any further UK development, believes that, in the long term, institutions will prefer to associate with developers who can properly evaluate the costs inherent in planning delays and other timeas partners with them, rather than enter directly into large and complicated projects which, he claims, could involve them

He recently told his share holders: "The traditional role of the property company will revive, not merely when the legislation concerning Devolves."

**The traditional role of the property company will revive, not merely when the legislation concerning Devolves. legislation concerning Develop-ment Land Tax is passed and when the high cost of finance is reduced, but when it has been accepted by all concerned that the best results will be achieved by separating the roles of the long-term investors and the

recognised developer. institution shouid

that the institution's requirements can be met but that these requirements can be improved upon to their mutual benefit."

feel that while the institutions are now making the pace in terms of development, they need the active assistance of traditional developer in order to identify and then maximise their opportunities. There is a clear implication that, whilst the funds may not be taking any chances when it comes to purchasing standing investments, their judgment may be less than perfect when it comes to new developments and that any mistakes can be more easily glossed over than is the case with a property com-

Rising costs

As for the companies them-selves, they have, in the last 12 months, continued to emerge after their long and difficult period of enforced retrenchment. For the most part, their activity has been well-paced and their scope for action has in any case been effectively contained by rapidly rising development costs which continually challenge the viability

of any scheme. ment work now underway has

major element of restraint into developers' ambitions but now the very real prospect of a sigspace has arisen.

The outlook is uncertain and opinions on the true extent and clearly define its maximum impact of the economic crisis years hence. threshold of risk and the vary widely. There would seem, developer, should evaluate the however, a fair case for suggest-

project and determine not only ing that demand for accommodation of all types could be significantly reduced over the next year to 18 months and there are already some signs that such a trend is underway in some areas

How much of an effect this will have on development activity is difficult to determine. Many schemes now in the pipeline should be nearing completion just at the time when demand begins to pick up again and, in any case, little of the space is being provided on a speculative basis. Even pre-lettings can fall through, however, if the going becomes really tough for the prospective occu-

Neither is there a large over-supply of space (though there are some suspicions that parts of the industrial sector could be hit this way) toexacerbate any weakening in rental levels and totally undermine an 'already questionable development cost-

rental equation. The prospects for starts on new schemes must be noor, as rentals-at best-stabilise and costs continue to rocket. What has ben a highly relective process will become even more so.

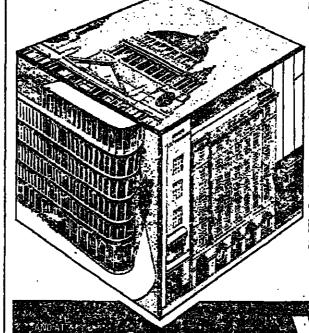
As the Property Advisory Group commented: "There may well be relatively little demand Indeed, much of the develop- for fresh office development and the industry's efforts will only been made possible be concentrated on the because companies have been refurbishment of existing stock with a view to maintaining its value as an investment."

The PAG was, however, talkcircumstances to arise.

But now the picture is itself but the years immediately threatened by the impending afterwards and there is a sub-recession. High finance costs stantial spread of opinion have for some time injected a within the industry over what major element of restraint into actually lies beyond the slump. A permanently lover level-and different type-of demand in nificant decline in demand for some sectors or yet another upturn in a seemingly neverending cyclical process? The answer should be clear a few

Michael Cassell

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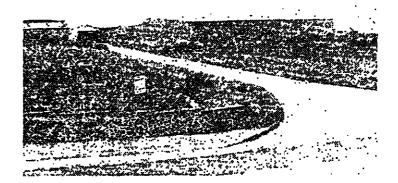
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Legislation CONTINUED FROM PREVIOUS PAGE

Other measures contained in the Bill, which is now not likely

to reach the statute book before the autumn, are less welcome to the industry. These include charges for planning applica-tions and changes in the system of building controls. Detailed proposals on both issues were published last month. The proposals to introduce

planning charges are, however, unlikely to prove more than a minor irritant to the industry since charges for office and industrial buildings would be based on £40 for each 75 sq metres (807 sq ft) of development Certificates—was ment. On this basis, a planning application for a 100,000 sq ft office scheme would cost just under £5,000. From April 1, local authorities have also been or ODP. able to charge fees to help offset the cost of monitoring and enforcing building regula-tions. This decision is the subject of a legal action brought. by the National Federation of Building Trades Employers.

In the meantime, the Government is pressing ahead with proposals to transfer responsibility for enforcing and monitoring others, is primarily concerned building regulations from local authorities to the building

Under the proposals, con-

tained in a consultation paper, the more important factors in climate" for the developer.

Outside the special provisions for the inner city areas, the Government has also sought to simplified guidelines. In addition of the company o the present detailed planning ease the burden of local tion, developers and owners of Legislative changes, while welauthority planning regulations private and commercial build-come, will not in themselves
and controls over the industry. ings will be able "to opt for ensure the health of the sector In particular, the Bill seeks to streamline planning procedures by removing duplication between different tiers of the local government structure.

In particular, the Bill seeks building controls to be exercised by nationally-approved professional 'certifiers' as an alternative to local authority control."

The plans have so far received a mixed response from within a mixed response from within

> Other measures already intro-duced by the Government which will benefit the property investor and developer include the abolition of exchange controls. The real impact of this change on the industry is difficult to esti-mate sires it is generally accepted that the industry had managed anyway to find various ways round the controls.

Similarly, although the final abolition of Office Development Permits- and a further reduction in the need for Industrial Development Certificates -- was recent years had been prevented by the need for either an IDC Such changes therefore repre-

sent little more than a cleaningup operation as far as the industry is concerned and the Government has probably only delivered what was expected of it. While the Government has undoubtedly improved the political climate for the commercial property investor and developer the industry, like

with the economic climate. The high level of interest rates and the general state of the economy are likely to prove

determining whether the indus-try will be able to take advantage of new opportunities. over the next 12 months.

Paul Taylor



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Investors' confidence remains unshaken

property market. The life ing but the manager who comsurance companies have been active here for around 30 years and with the ground 30 years. and, with the growth of occupa-tional pension schemes in the lations, congratulate himself on 1560s and 1970s, the pension

funds were quick to follow.

The Property Advisory Group,
in its report "The Structure
and Activity of Development
Industry," noted that institutions were holding 19 per cent in rental values were regis-of their total investments in tered in the majority of of their total investments in the form of land, property, ground rents and properly unit centres. trusts by 1978.

It is becoming increasingly clear that the funds' confidence in the market has not been shaken unduly by economic events of the past year or so, since yields in the three major categories of prime property have mostly remained constant.

No surprise

That should come as no sur-Institutions are longterm investors and hase their decisions in the certain knowledge that industry and commerce must undergo several business cycles during the lift span of a major property, to say nothing of significant economic and political changes.

Their presence has largely curtailed the volume of trading in the prime proporeyt market which has thus become very much more stable, in terms of capital values, than it was in the 1972-75 boom and bust. Rental growth prospects have and in any case institutional become the investment arbiters.

desirability of prime propertywhich is broadly defined as modern, well-located, flexible, well-covenanted and, where applicable, air-conditioned. Leading estate agents agree that prime yields have been stable over the last 12 months, such is the amount of institutional interest in these sites.

The investment department of agents. Richard Ellis, estimates that "the prime yield structure for the best completed and let office, shop and industrial investments is 41 per cent, 3.85 per cent and 6! per cent, respectively." While somewhat less exact, agents Bernard Thorpe and Partners concur.

Rental growth in prime locations has so far been easily sufficient to compensate for the vield gap implicit in first class property. Long gilt yields of per cent, although

20 per cent rental growth. The firm also notes that "demand for retail units both n the investment side and from retailers was consistently strong during 1979 and large increases and sub-regional

Similarly, "the gradual rental increases noted in the office sector some 12 months ago, have, over the past six months, begun to accelerate as occupational demand increased significantly in many areas and the supply of available accommodation had still to show any material advance."

The balmy days of rapid rental growth, as the Property Advisory Group sees it, have come to an end. The empirical evidence certainly supports this view although the impact of recession has been more marked in some areas than others. Most Oxford Street retailers would agree that the consumer spending boom stopped abruptly last June and available equity yields strongly suggest that several industrial companies are strapped for working capital.

But demand for prime proparty remains strong. Its longterm performance has been good ecome the investment arbiters. resistance to investments at the That clearly underlines the lowest yield levels can be expected to soften as the Government's funding activity slows down and interest rates

Property yields

An optimist might look to an end to the "crowding out" in the capital markets, perhaps by next spring, which would lead him to reinforce his weight of money argument for hardening prime property yields. That may be right, but it is also possible to suggest that the bond market may be revived after a sharp cut in MLR.

Industry certainly requires new long term financing. Larger companies may negotiate the euro-sterling market, secondliners may be persuaded that loan stocks, or even debentures. offered on a double-digit coupon would be the correct refinancing

INSTITUTIONAL INVESTORS changing very fast, have been route. So it is not yet possible are no strangers to the direct almost overwhelmingly tempta substantial proportion of funds diverted from Government stocks will automatically flow into real estate.

It is difficult, therefore, to immediate envisage much change in the yield structure. The industrial development market, with a very much shorter construction lead time than offices and shops, has reacted quickly to recent rental growth and it is possible that values will slip back a little until any excess supply is absorbed.

Competition

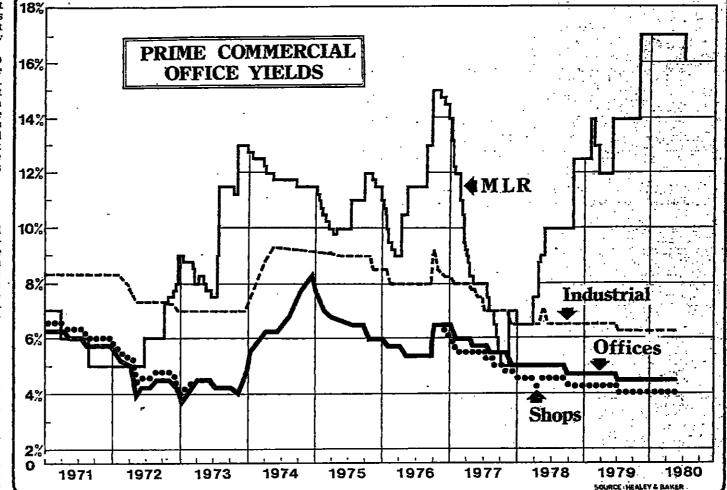
But, in the main, demand and supply are probably in approxi-mate balance. Speculative development since the last crash has been far less marked than the early 1970s. Competition for the best sites is still fierce although investors are demanding detailed assessments of the projected rate of rental growth in any location.

At the same time, high money costs have, in a period of reces-sion, widened the traditional gap between prime and second-The property ary yields. market defines secondary pro perty as anything other than top quality and the term encompasses differing degrees of investment possibilities.

It is sometimes possible to manage a secondary into the prime category and institutions have been encouraged to do so. Reversionary periods can be shortened, refurbishment can up-grade the quality of a building and a change of tenancy can enhance the covenant. But the essence of prime property is a good location—international banks (increasingly active tenants) are attracted only to the City of London and its immedi-ate environs. Department store groups wil only take space in a well-established, central shop-ping area, although the new D. H. Evans at Wood Green is an interesting exception.

Estate agents do not expect any recovery in secondary market prices until interest rates drop and it is hard to look for any fall in yields in this category until the recession eases, consumer spending picks up and the pressure on industrial liquidity relaxes. For the moment, only the very best will

Ray Maughan



of the commercial property. industry during the past 15 years are fully illustrated by the performance of the Investors Chronicle/Hillier Parker rent index over this period.

The two tables (below) show how commercial rents, after allowing for the effects of inflation; rose sharply during the early part of the last decade only to fall steeply in 1974-75. when a combination of economic recession and a massive over supply of --accommodation scut property values tumbling.

Since then, conditions have improved and rents began 🧼 increasing again, in real terms from the second half of 1977. up until the early part of last year when rising inflation started to overtake the continuing recovery in rental

The indices show that realoffice rents have declined by almost 53 per cent since May, last year. Over the same period, shop rents have fallenby 4.6 per cent and industrial rents by 2.3 per cent.

This position seems likely to worsen over the next year with commercial rents in cash terms now beginning to peak in many. parts of the country and inflation presently running at an annual rate of more than 20 per cent.

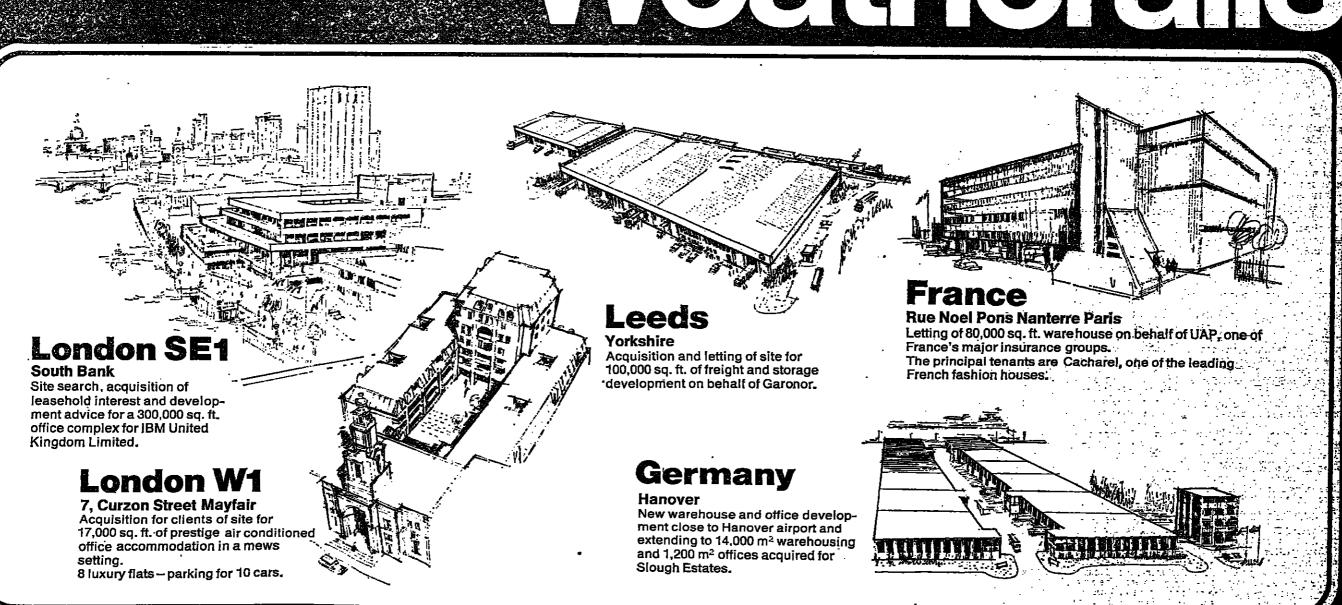
ANDREW TAYLOR

INVESTORS CHRONICLE-HILLIER PARKER RENT INDEX

(adjusted for inflation)

	1965	196	9	19	72	1973	1974	1975	1976	1977 May	Nev.	1978 May	Nov.	:-	1979 May	Nov.	1980 May
ICHP Rent Index	100	12	3	1	41	188	189	157	139	126	127	. 131	136		142	138	135
Shops	100	11	9	1	.50	178	180	152	142	131	136	145	, 156		165	163	156
Offices	160	13	Ĺ	1	55	223	217	171	. 143	124	123	126	128	· ·	130	126	124
Industrial	100	11	3	1	16	135	152	138	131	123	124	123	126		132	130	129
Change (%) per an	num on	previo	IS I	eadir	ıg								1.1	٠.	. 1911	er er er	
ICHP Rent Index	_	+ 5.	3	+ :	5.3	+ 30.7	+ 0.9	- 17.0	- 1L3	- 9.7	+ 2.3	+ 5.2	+ 8.2	· · .	7.4	- 4.7	- 4.7
Shops	_	+ 4.	4	+	8.0	+ 19.0	+ 0.8	- 15.4	- 6.7	- 7.5	+ 7.2.	+ 13.4-	+ 16.7	; `	+ 11.6	– 2.3	- 82
Offices	_	+ 3.	2	+ .	0.7	+ 16.8	+ 12.3	- 8.7	- 5.6	- 13.1	- 0.9	+ 3.4	+ 3.4		+ 2.9	- 7.1	- 34
Industrial	_	+ 3.	2	+	0.7	+ 16:8	+ 12.3	- 8.7	- 5.6	- 6.1	+ 2.2	- 2.0	+ 5.0		+ 9.8	- 3.5	

Note: 1965-69 and 1969-72 are expressed per annum. Percentage change was calculated from Index figures accurate to two decimal places. The result may therefore differ from the apparent change in the rounded Index figures shown in the tables.



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CLASS 6 8-7-11-6 TONS:

72 73 74 75 76 77 78

7-0(6-7)(7-6)(4-7)(3-1)(2-8)(2-2)(4-1)(5-7)(10-0)(10-6)

DIESEL PENETRATION OF US TRUCKS (Total factory sales)

Diesels keep Detroit trucking Detroit

THE WOES of the North American truck industry have been starkly illustrated by the announcement that total commercial vehicle output fell 53 per cent from the first six months of 1979, at 2.36m, to 1.1m in the first half of 1980.

The U.S. truck industry is in an even more depressed state than the car industry. But its problems are not so well documented. The consensus in the industry is that sale of medium and heavy trucks will fall at least 25 per cent this year from 378,000 to around 265,000. And there is strong competition from European manufacturers.

Most manufacturers expect the situation to begin to im-prove next year but a return to former levels is a long way off. According to the forecasters at Eaton Corporation, one of the major suppliers of truck transmissions and brakes, the peak of the next demand cycle has been receding for many months and now cannot be expected until

Ford Trucks believes even that forecast is optimistic and estimates that sales will not reach the 400,000 ayear merk again antil 1985.

The atmosphere at the recent Dallas Truck Show was subdued and some important as Freightliner and White, were missing. And, according to many exhibitors, so were the people who matter—the truck buyers. Yet amid this gloom there is one part of the market which is bucking the trend, that for medium-sized diesel engined

Traditionally, the Americans have used huge petrol engines to power their mid-range trucks. But they are now switching to diesel as fuel prices rise inexorably and they see the engine manu-sense in paying up to \$4,000 the demand.

extra for a diesel engine. The petrol engines might be "gas guzzlers" but they are cheap because they are produced in large quantities since they are also used in large cars.

"We are looking for the price of gas (petrol) to reach \$5 a gallon by 1985 and those diesels will give you 11 to 12 miles per gallon compared with four to five miles per gallon, if you are lucky, with a gas engine," an earnest Ford salesman told a trucker. And across the ball an International Harvester representative maintained: "If you drive 3,000 miles or more a year you'll save more on fuel and maintenance with a diesel

than the extra you pay for it." These and similar messages are making an impact. So much so, that Mr. James Capolongo, Ford vice-president and 10 per cent share of the mediumduty truck market held by

At the Dallas show Ford. with a 66 per cent share of the cedes), which has been steadily Class 6 market (covering 19,501 lbs to 26,000 lbs gross vehicle weight) to protect, focused attention on a new, all-American diesel engine which could do

switch to diesels in the socalled Class 6 range some European manufacturers have recently begun serious efforts Dallas Show was still being to tackle America for the first staged. (At the show Daimler-

Fiat's truck and bus subsidiary, IVECO, moved in, as did Renault's truck offshoot. MAN of West Germany tried to work out a deal with White Motor, a local truck maker, but failed to find the right combinageneral manager of truck operation and withdrew to think tions, insists that the current again. Volvo was more successful in negotiations with Freightliner, a major distribution diesels will soar to 50 to 60 per group, although the trucks it is cent by 1985—provided U.S. sending from Sweden are engine manufacturers can match mainly heavier than the Class 6

spreading the gospel about diesel trucks in the U.S. since 1970, recently set up an assem-

CLASS 7 11-6-14-7 TONS

It is a modest operation—the plant cost only £2.6m., a figure great damage to European no more impressive in the hopes of denting the U.S. truck American truck industry than oarket. in Europe—assembling im-On the expectation of a big ported kits. The first Mercedes rolled off the assembly line at the new plant, in Hampton, Virginia, on June 12 while the Renz denied a recent report in the U.S. from a usually-authoratative source that it already had plans for a second plant, saying that the report arose from "a misunderstanding.")

Compared with the other trucks on display at Dallas, the Mercedes' example looked posi-tively old-fashioned. D-B has been supplying the U.S. from Brazilian plant since 1974 because there is no way it can export profitably from Germany while the D-Mark is so highly valued com-

pared with the dollar. The truck it sells, the 911, is more familiar in Brazil, Nigeria and other developing countries than on Western roads.

The German group sold - 3,708 of its low-powered, Brazilian-built trucks in the U.S. last year and despite the deepening recession, is on target to go up to 6,000 this year. This is the minimum level it needs to support the Hampton plant which has a capacity of 12,000 to 18,000, depending on whether a third shift is worked. Many Americans see the Hampton facility as a political gesture by D-B rather than a purely economic proposition.

D-B does not mention anywhere in the sales literature it offered at the show that its trucks are made in Brazil, Nor dld Mack Trucks say that its vehicle in the medium-duty sector. called the 'Midliner.' is made in France by Renault.

birthday, St. Paul's Cathedral.

huge expense of developing its own Class 6 diesel truck.

Renault cemented the arrangement by acquiring a 20 per owned by Ford's biggest rival, to hold more than 98 per cent cent stake in the company. General Motors, but operates of the market."

Like D-B, Mack has been taking a studied and careful approach when introducing the new truck, making sure that service and spare parts back-up is available before selling into any given area. So far sales been deliberately restricted to owner-operators and small fleets of up to 10 vehicles because Mack does not yet feel able to cope with the demands of the major fleets.

But this year Mack hopes to sell 2,000 to 3,000 Midliners and by 1984 sales should be tory at Darlington in the UK. 7,000 to 8,000.

In contrast to the D-B and Mack-Renault "step by step" approach, IVECO has gone at the U.S. market with a confident rush. Staffed mainly by former Mack employees, IVECO of North America has set up a widespread network of 108 dealers in 40 states in only two years. (It took D-B eight years to reach the same level of coverage). IVECO is using the Magirus name on its U.S.

IVECO's major success so far has been with a new truck rental company called Jartran, formed by the previous owner and founder of the Ryder Truck Rental business. According to one observer, the credit terms IVECO gave Jartran on the 500 trucks it ordered "are very similar to soft loan aid to a developing country."

Yet, as Dallas showed, the Americans are fighting back in the vital diesel segment. The Ford "Fuel Pincher" diesel, Jaunched in February, looks as if it might become the standard power unit in medium-duty

turers have been able to offer developed not for automotive but other purposes—industrial According to the U.S. indus or for use in agricultural equipment-and later adapted for trucks. The exception until recently has been a Cummins engine, the VT 225, but this has had to command a premium price because it is imported the company's

Ford was to have used the 8.2 litre engine exclusively for

The question about the Europeans is whether they can make profits

at least a year. But because of in America. the depressed state of the "We understand they are put-market, it has allowed DDA to ting together a good parts offer it to other users. supply programme. No other Chevrolet, another General European manufacturer is an option in the autumn.

The Harbridge House conto dominate the market by

Harbridge also points out that the American medium crease sales here,"

autonomously.

This must have been a major
The significance of the 8.2 consideration for Leyland
litre DDA diesel is that
previously the U.S. manufac
Scania when they investigated the American market to see if diesel engines which were the prospects were as bright as they appeared at first sight. According to the U.S. industry,

> The obvious question to be asked about IVECO, Renault and Volvo is whether they make the U.S. Not many of the local manufacturers believe they do.

> Ford's Mr. Capolongo echoed the prevailing sentiments. "Of all the manufacturers coming into America the only one I'm currently worried about is Mercedes. Only Mercedes has made a commitment by putting an assembly plant into Virginia. Mercedes is sourcing components out of Brazil and will get the currency benefits of the dollar-cruzeiro relationship and the advantages of assembly here

Chevrolet, another General European manufacturer is Motors subsidiary, had trucks doing that I believe the others incorporating the engine at the will have European currency Dallas show and International versus dollar problems, not only Harvester will be offering it as today but for a long time. That will make it difficult for them to set reasonable prices."

sultancy group reckons that: He pointed out that the "Detroit Diesel pricing indi-cates that the GM strategy is freight problems in shipping passing on all economics of would have to pay a 4 per cent scale in lower prices . . . the tariff, Because they were based target is to allow the truck overseas, they would need to operator to dieselise for \$3,000 keep bigger-than-usual inventories of spare parts.

"Mercedes will probably inby Renault.

The engine, an 8.2 litre, eight truck market is dominated by capolongo predicted. "The Mack, a Signal Industries subsidiary, decided to team up with Renault rather than face the charged) was developed by International Harvester. "All They could go back home."

House, 9. Henrietta Place, W.,

Letters to the Editor

No Japanese magic

From the Marketing Manager Rank Toshiba Sir,—The TV industry not only has a great deal of first hand knowledge on Japanese competition, but also has a particularly protected market in UK, and to a lesser extent, in the rest of Europe, as well as a number of Anglo/Japanese joint ventures now in operation. I think, therefore, we are well qualified to comment on the problems which our motor industry is suffering at the

The overall UK market is not increasing and largely due to the over-supply situation, prices are being held down and with the current strength of the £, the current strength of the £. This does not sound like imports from most countries "Japanese magic" to me, it's particularly Japan are for the TV industry, Europe is still protected by the PAL ELicence which restricts imports of sets larger than 20 in, but now with local manufacture and joint ventures this will not prove to be a problem. Far better that our work forces are employed making such products than they be made elsewhere

in Europe. Despite this protection, the Japanese have managed to make great inroads in Europe, particularly with the acceptance of their brand names, and hence the products associated with them. This is primarily, but not entirely, due to the fact that othe vast majority of their goods are built to a very high stan-dard ("Up to a quality" not

The implication here is that the manufacturers' component suppliers are pressured into lowest possible costs, but with I very firm specification on performance and quality. This en-sures that the final assembly has the best possible chance of. passing through the factory with minimal excess costs on rejects, hence low manufacturing cost and high efficiency and quality levels.

Too often, in the UK, suppliers are pressured into reduc- on remuneration and locating By prices which result in candidates. These areas, while lowered standards—"why use probably not outside the competence of industrialists, are two coats of paint if you can petence of industrialists, are get away with one?" Even worse than this, many suppliers have lost valuable technical expertise due to the use of cheap, and often poor, copies of the original material designed for. Manufacturers must have quality and performance specifications and be committed to be unnecessary intermediaries? them if they expect to sell Peter Williamson, tunder world market conditions. Deloitte Haskins and Sells. end this must include appearánce quality.

Somewhat ironically, I believe that restrictions on imports have the effect of creating an increased desirability which also ensures that prices stay high.

Just because Datsun is going Teesside Polytechnic to import fewer cars does not single Contrary to the opinion mean that people will automatically buy British. Indeed, of the Confederation of British they may well now go out and Industry, Mr. Moss understands buy Datsun because they sus- only too well the role of managepect supplies may become short. ment "head hunters." Civilisa-They will be prepared to pay tion has long since advanced top prices, and it will almost beyond the "head hunting" have at present

manufacturers their strong need to eliminate it again. market position in Europe, and . There is no task of manage and tipped to win at York on also enabled them to keep their ment or direction more vital July 11 by your racing correspices up. Contrary to some than that of choosing human pondent, is in no way connected beliefs, Japanese CTV products beings to work with, and in most with me or any of my family, in UK are not cheap, but they cases control, other human but is owned, I understand, by are built "up to quality" in beings within a firm or organisa a Mr. Charles St. George.

both technical and appearance tion. To relegate the vital task Motor industry "watch out" cations and of drawing up the

or, as we have done, join forces. short list to outside agencies We have learnt that we can who take no responsibility for levels than previously with the same personnel, and the basic reasons are: Prove the design before you start mass production; get the co-operation of your suppliers and make sure they understand precisely what you want and if necessary school them in quality control methods; have the best tools for the job; and don't let turn-over pressure cause you to use sub-standard material — work towards a situation where your operators care about what they do — this is far more efficient than employing masses of inspection and rectification on

more like British common sense -and not forgetting hard work. From Mr. R. Penn A. C. Shirley. Rank Toshiba, Northolt Avenue,

Ernesettle, Plymouth.

Delegation of

From Mr. P. Williamson out reply. He suggests that in-dustrialists abdicate their primary duties and responsibilities by allowing "manage statements and inaccuracies ment consultants" to select I refer to the article (July their staff.

This is not the case. The hiring decision is not abdicated, and rests with the client alone. The employment of management consultants has the objective of locating and screening candidates to produce a short list of suitable individuals. The use of consultants is simply a delegation of duties, just as for more junior staff the task will normally be delegated to the client's own personnel function.

Executive recruitment—which saves the time of industrialists, which can often be better utilised - offers expertise in defining requirements, advising candidates. These areas, while probably not outside the comnot skills they need to possess for their major responsibilities.

tives would also be capable of organising their company's library, to give an analogy pertinent to Mr. Moss. Would he therefore consider librarians to the unprecessory internal control of the control o Doubtless many senior execu- hardly agree?

128, Queen Victoria Street. P.O. Box 207, EC4.

Back your own judgement

From the Librarian,

certainly relieve any high stock stage and its unfortunate reproblems which Datsun may have at present. This situation is precisely down the line who have to suffer that has given Japanese TV the ill-effects of its modern form

of carefully examining all applibuild to much higher-quality the ultimate selection and its consequences is an insult not only to applicants but to

employees generally.

It is as a result of such thoughtlessness and tactlessness on the part of the people at the top that morale is generally poor throughout business and industry and that trade is, unfortunately, unionism spreading also to the whitecollar section, just as it has, equally unfortunately, long since done in the public sector.

Middlesbrough, Cleveland.

Glorious

Sir.—As a British resident of Brussels I am becoming accustomed to the chauvinistic outpourings of the new breed of "Little Englanders" who seem determined to be stupidly insular and anti-Europe in anything that suits their myopic

But when they invade the Sir,—I cannot let the views columns of a respected newsof Mr. Moss (July 7) pass withpaper with this kind of pseudopatriotism on the subject of gardens it is time they were corrected for their sweeping I refer to the article (July 9) entitled: "Sissinghurst—the best

in the world" by Robin Lane Fox. Its authenticity is rather naively destroyed by his own statement: "Naturally, I have not seen them all, but..." I am quite sure he hasn't. Quite apart from the statement being an admission of inexperience, to say Sissinghurst is the best in the world is fatuous. There are quite a number of other gardens in Britain that are better or at least as good, for example Inverue in Scotland, Wakehurst Place in West Sussex, quite apart from Gravetye Manor. again in Sussex, where William

Robinson laboured for so many years, let alone Kew!!! Is he trying to rival Lord Conway's equally doubtful assertion that Leeds Castle "is the most beautiful in the world," when anyone who has seen Chenonceaux or Neuschwanstein would

Let him see the Generalife gardens in the Alhambra before he makes statements of this kind—and in any case what kind of criteria is he using—the whole subject is prone to doubt-ful value judgments, better just say it is good or even remarkable, otherwise say nothing! R. W. G. Penn.

Boite 5, Are. A. Madoux 131. Woluwe St. Pierre, 1150 Brussels.

The name of a horse

From Mr. I. Calvocoressi Sir,-I would much appreclate space to state, as a member of the Stock Exchange, who is not allowed to advertise, that the horse named "Calvocoressi" with me or any of my family. and Tourism Management,

No one had the courtesy to consult me or any member of my family, before the horse was given my family name, a name very unusual in this country, despite many protests and a lengthy correspondence with the stewards of the Jockey Club,

did I succeed in having the name changed. It is, apparently, impossible for the names of horses to be changed, once they have been registered, even though human beings can change the names they received at birth. So, I would just like to make

it clear that this horse is nothing to do with any human Calvocoressi! M. Calvocoressi. Court Lodge, Westerham, Kent.

Transport in London

From the Chairman London Amenity and Transport Association

Sir,-Sir Horace Cutler is a colourful character and London would be a much duller place without him. But this shouldn't allow him to get away with the statement in his letter (July 8) which implied that, if all other traffic were eliminated. London's bus service would

improve by only 1 per cent. If there were no other traffic, not only would the 1 per cent of bus-miles lost from the existing timetable through traffic congestion be restored, but it would also be possible to re-write the timetable so that the same number of buses provided a greatly increased service. Perhaps, after all, Sir Horace is on to a winner this time. Harley Sherlock.

13, Alwyne Place, N1.

Marketing tourism

From Mr. V. Middleton Sir,—Generally, "Marketing Scene" provides a high standard of informed comment on issues in the news. It adds interest to Thursdays. But Mr. Thompson-Noel was more than wide of the mark in suggesting on July 10 that "the men who market Britain cannot change the product."

Of course they can, and they can also find new ways to reduce costs and absorb apparent price increases caused by inflation and a strong pound. A tourist product is not Stonehenge, The Tower of London or Trafalgar Square. It is an expectation and an experience, or rather a package of experiences covering transport, accommodation, attractions, facilities, shops and information at a total price.

Products—all products—ser-vices or manufactured items are simply current ways of packaging the uitilities sought by consumers. The skill in marketing tourist products lies in manipulating the many components and prices in ways which are most appealing to customers. How else did winter week-end packages, motels, self-catering, fast food, Skytrain, Mini Prix, Away days. Railcards or conference travel emerge?

The international nature of tourism makes product formulation in-marketing a challenging and highly competitive business. Victor T. C. Middleton, (Senior Lecturer),

Department of Hotel, Catering University of Surrey,

Today's Events

UK: The Queen and Prince Philip attend Thanksgiving Ser-vice for the Queen Mother's 80th Sir Peter Gadsden, Lord Mayor Rights (Scotland) Bill, commit-National Graphical Associaof London, dines with Scientific Instrument Makers' Company,

tion's national council considers offer from the Observer news-Montague Close, SE1. Overseas: EEC Finance Minipaper on pay and conditions. sters meet in Brussels to examine European Atlantic Group meeting with Supreme Allied Commander Atlantic talking on Republican Party convention NATO's naval defence and its global implications, in London. continues, Detroit (to July 18).

Industrial Tribunal hearing re-PARLIAMENTARY BUSINESS sumes on Lucas anti-union rebel, Mr. Chris Cooke, Birmingham. House of Commons: Comple-tion of the remaining stages of East of England Agricultural Show opens, Peterborough (to Local Government Planning and Land (No. 2) Bill. House of Lords: Tenants'

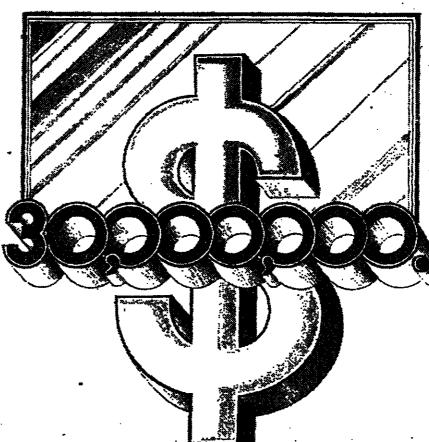
tee stage. Motions to approve Representation of the People (Amendment) Regulations 1980; Elections (Welsh Forms) Regu-lations 1980; Representation of the People (Scotland) Amendment Regulations 1980; Representation of the People (NI) Amendment Regulations 1980. **OFFICIAL STATISTICS**

Balance of payments current account and overseas trade figures for June. COMPANY MEETINGS

Bloomsbury Square, WC, 10.30. Kayser Bondor, 22 Hanover Square, W, 12. Shires Invest-Square, W, 12. Shires Invest-ment, 70 Finsbury Pavement, EC, 12. Time Products, Connaught Rooms, Great Queen Street, WC, 12. Henry Wigfall, Royal Victoria Hotel, Sheffield, 12, COMPANY RESULTS

Final dividends: Glove Investment Trust, HAT Group. Jones. Stroud (Holdings). Magnet and Southern. Interim dividends: Gestetner Holdings. Ladies Pride Outerwear. Meldrum Investment Trust. Neil and Spencer Hold-OMPANY MEETINGS ings. Interim figures: Crescent International Paint, Henrietta Japan Investment Trust.

ALBAA EREUPTO30



US \$50,000,000 Albaab is pleased to announce the increase of its paid up capital to US\$30,000,000.

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Rank falls £11m but holds interim at 4.8p

by its associate and principal revenue earner Rank Xerox, left Rank Organisation showing a near £11m downturn in taxable profit to £53.45m for the 28 weeks to May 10, 1980.

However Mr. Harry Smith, chairman, says that it seems likely that the second-half result will be close to last year's when the full-time total reached £131m.

Meanwhile it is anticipated that a £2m provision will be that a £3m provision will be required at year-end against film production losses. Of this sum £1.7m has been provided in the interim accounts and a further £2.5m provision has been made to cover the cost of terminating

and industrial and consumer proand industrial and consumer products group were lower at £6.57m, against £7.76m, for the half-year on sales of £255m these adverse factors in the UK (£221m). This together with a decline to £53.96m (£65.14m) in the share of Rank Xerox profit was partly offset by a rise from 43.25m to £3.88m from other associates, and interest costs £0.77m lower at £10.96m.

Mr. Smith points out that apart

HIGHLIGHTS

Lex looks at some very disappointing figures from the Rank Organisation caused partly because of a currency setback at Rank Xerox but also because of a poor performance by several trading operations. The appointment of a receiver at Fodens yesterday marked the eventual failure of the City's attempts to rescue the group in 1975; Lex draws its conclusions. Barclays Bank International has raised \$200m on the Eurobond market with a floating rate issue convertible into a fixed rate The Government gave a much clearer picture of the assets which British Rail may be selling off and Lex finally looks at the signs of unrest in the City over the proposed News International restructuring deal,

audio product manufacture at Plymouth next September.

Trading profits for the leisure

The group's hotel occupancy levels were hit by the fall in the number of overseas visitors and adverse market conditions

Mr. Smith points out that apart from losses on film production, now discontinued, the first half trading result would have exceeded last year's.

With tax taking £26.03m (£29.76m) stated earnings per 25p share emerged 6p down at 12.2p. The net interim is maintained at 4.8p. Last time a 10.8p

of £0.73m (£1.8m) and preference operations are already showing f2.76m (£2.26m).

dividend.

trade well and new catering cision, the pre-tax total was up at operations are already showing f2.76m (£2.26m).

Lex, Back Page

are also taking place for long leases of motorway service areas, the chairman says.
Pinewood film studios are

where bookings are at a satisfactory level or Leisure Caravan Parks where rental income and caravan sales are also satisfactory.

Interim figures reported for the subsidiary Rank Precision Industries (Holdings) show tax-12.2p. The net interim is maintained at 4.8p. Last time a 10.8p were slightly lower but are to £31.37m on turnover of total was paid.

Attitude 1.2p. The net interim is maintained at 4.8p. Last time a 10.8p were slightly lower but are to £31.37m on turnover of expected to improve in the £23.55m (£19.64m). At the 82 per tained at 4.8p. Last time a 10.8p total was paid.

Attributable half-time surplus came out £7.48m down at £23.92m expected to improve in the £23.65m (£19.64m). At the 82 per second half because of stronger cent held subsidiary. A. Kershaw and sons, the main interest of £2.47m (£1.14m) extraordinary debits trade well and new catering cision, the pre-tax total was up at \$23.72m (£1.8m) and wasterness.

Warner Holidays passes £1m

increase to £356,000 at halfway. pre-tax profits of Warner Holidays have, as expected, shown considerable improvement and the year-end figures are up from £817,992 to £1.13m. Turnover improved from £8.99m to

The company operates holiday centres throughout the UK and After tax of £351,633 against

£300,620, stated earnings per 10p share up from 6.12p to 9.2p; and the £nal dividend is raised from 1.5p to 1.75p for a total of 2.25p (1.85p).

comment

600

500

400

300

Warner Holidays' three-year £3m modernisation programme is paying off. Its upgraded higher tariffs and attracted more

jumped 65.7 per cent. In the current year, overseas bookings are up one-third while advance home bookings have been sluggish again. The group sluggish again. The group hopes for a late summer surge similar to last year's but even if it does not materialise, tariff increases of 17 to 23 per cent may offset any slight decline. The 21.6 per cent higher dividend provides a yield of 7.1 per cent. The alocaly held of 7.1 per cent. The closely held shares trade at seven times fully taxed earnings.

BSC SELLS NZ INTERESTS FOR £5.5M The British Steel Corporation

has agreed to a £5.5m (NZ\$13.25m) sale of New Zealand interests to Fletcher Metals, a wholly-owned subsidiary of the New Zealand industrial

ELECTRA INVESTMENT T

NET ASSET VALUE

Net assets - £76,000,000

10-YEAR PERFORMANCE RECORD

70

75

BSC (International) will part with a 16.1 per cent shareholding in Pacific Steel, together with 6,250,000 sheres in Steel and Tube Holdings-22 per cent of the company's capital.

BERKELEY BUYS AMERICAN LEASES Berkeley Exploration and Production has agreed to buy controlling interests in four oil and gas leases in central Texas. The consideration together with the future well development expenditure, has been provided by the issue of 446,000 partly

acres. The development of the of 11 per cent are still a little

EARNINGS AFTER TAX

78

Acquisition benefit lifts Montague Meyer Carclo to near £3m

ing Group were boosted from £9.78m to £32.4m, and from £897,000 to £2.87m respectively, for the year ended March 31,

The directors state that the current year has started badly, and disappointing first-half and disappointing first-half results are forecast, followed, as is traditional especially in the English Card business, by an improvement in the second. This will be helped, they say, by action being taken to reorganise the company's business.

In the longer term the direc-tors remain confident that the group's business is "starting a decade of significant achievement'

At the interim stage group turnover was £5.05m (£4.7m) and pre-tax profits down slightly at £464,00 against £514,000.

Turnover for 1979/80 included £18.28m (£3.03m) from English Card, and £3.99m from Indian Card Clothing.

Earnings per 25p share are shown as 18p (16.8p) and the dividend is unchanged at 5.2p with a final of 2.6p net.

Tax took £1.46m (£214,000). pre-acquisition profits and minorities £588,000 (nil), and after an extraordinary debit of £294,000 (£81,000 credit), the attributable balance came out behind at £527,000, compared with £764,000.

comment

Carcle's acquisition last year of English Card Clothing provides substantial scope for rationalisation in the card clothing and wire plants at Cleckheaton and Huddersfield and the enlarged group is confident of restoring the return on funds employed to "adequate" levels. The more benefits, however, may be expected later rather than sooner. The group is warning of a difficult start to the current year, gearing is still somewhat high despite the Wigglesworth disposal proceeds and total net debt stands at just over 50 per cent of shareholders' funds. Export margins are under pressure and, despite a 5p rise to 70p yesterday, the shares may not be entirely willing to take group's forecast of an improved second half on trust. With hindsight, the potential paid shares is Berkeley which benefits of the merger are quite have been placed with institutions, at 200p per share.

The deal will give Berkeley a can restore its competitive posibalanced portfolio of U.S. oil tion but, for the short term, a prospects covering about 10,600 fully taxed p/e of 5.1 and a yield a constant of the part of the part of the short term, a prospects covering about 10,600 fully taxed p/e of 5.1 and a yield of the part of t

Current payment payment 2.6 Sept. 5 Diamond Stylus 0.59 LRC Int . Oct. 1 Murray Nikn. Inv. 1.15 Murray Nikn. Inv. int... 0.6 Sept 10 Rank Organisation ...int. 4.8 Riverview Rub. 2nd int. 4.3

DIVIDENDS ANNOUNCED

Sept. 16 Oct. 1 Vinten Group 1.8 Warner Holidays 1.75 Dividends shown pence per share net except where otherwise stated * Equivalent after allowing for scrip issue. 7 On capital increased by rights and/or acquisition issues. ‡ Gross percentage throughout.

RIT makes advance to £7.6m

Rothschild Inv. Tst.

SECOND-HALF taxable profits up from £3.21m to £4.42m gave Rothschild Investment Trust a record £7.6m for the year ended March 31, 1980, compared with £5.75m previously.

Tax took £2.54m (£1.68m) and after minorities and preference dividends, revenue attributable to Ordinary holders was ahead from £3.66m to £4.62m. Comparatives have been restated.

Earnings per 50p share are shown as 18.9p (16.2p) basic and as 18.4p (15.5p) fully diluted. A final dividend of 9p raises the total from 9p to 11.5p net, absorbing £2.81m (£2.03m). Net asset value at the year-end

was 405p (354p) pre-conversion and 396p (345p) post-conversion. At July 9, 1980, the respective figures were 433p and 420p.

An increase these days of 20 per cent in net revenue, 28 per cent in net dividends and 24 per cent by any standards. however, not good enough to please the market, which marked Rothschild Investment Trust's shares 11p lower to 352p. Since RIT's property indiscretions of the mid-1970s the City has come to expect much of the company and over optimistic assumptions ahead of the figures had clearly encouraged speculative buying distributes
The results, in fact, reflect fairly gramophone styli.

even growth from all activities, even though the decision to retain earnings and increase the cap alisation at Dawnay Day has minimised the contribution from this new acquisition. RIT's magic box, of course, is its historically undervalued portfolio of unquoteds which contains the key to asset value performance. The present yield of 4.7 per cent is below the sector average but RIT's recent capital and dividend growth to date fully justify the below average discount of around 17-18 per cent.

Diamond Stylus down to £180,000

ON MARGINALLY higher turnover of £1.97m, compared with £1.93m, taxable profits of the Diamond Stylus Company fell from £251,586 to £180,562 for the year ended March 31, 1980.

First-half profits had dropped from £80,116 to £37,369 as a result of difficult trading conditions, particularly in the U.S. where the strong pound adversely affected group in-

After a reduced tax charge of £18,000 (£104,044) net profits for the year were ahead from £147,542 to £162,562. Earnings per 10p share are shown as 5.18; (4.7p) and a final dividend of 0.5949p raises the net total from 0.8786p to 0.8913p.

company makes and outes diamond-tipped distributes

Baker Perkins sees first half profit downturn

TRADING profits for the first of England. half of the current year are Overseas operating companies likely to be lower than the are not under quite the same £2.59m for 1979/80, Mr. J. M. increasing pressure on volume Braithwaite, chairman of Baker and margins, says the chairman, Perkins Holdings, tells share and the directors are conse-

holders in his annual review.

An improvement is expected in the second six months, as in the past, but by how much will be heavily influenced by the volume of incoming orders over the next few months—as at March 31, orders on hand totalled £50m compared with £52m at the

ise to slackening demand operating costs of the UK companies are being cut so far as is compatible with medium and longer term plans, and has involved a number of redundancies and early retirements. He adds however that despite

the immediate business outlook the company is still proceeding with its factory modernisation programme for the packaging machinery side in the north-east

quently looking for good results extended strike at Baker Perkins Inc. earlier this year.

March 31, finished down from £9.86m to £6.46m—second half contribution was £1.4m of foresame time last year. cast at £5.14m (£6.5m). The
Mr. Braithwaite states that in dividend is effectively raised to 6.45p (5.16p) net per share.
On a CCA basis pre-tax figure is reduced to £1.7m compared

As reported on June 20, pre-

tax profits for the year

GROVEBELL

Remarks made by Mr. V. J. Advani, chairman of Grovebell, reported in Saturday's issue, were all directed at Bond Street Fabrics. One was inadvertently stated as relating to Grovebell.

at £16.33m

DESPITE a £4.85m increase in only a revaluation of net assets interest to £11.16m pre-tax profits of Montague L. Meyer, timber merchant, finished the March 31, 1980 year ahead from £15.45m to £16.33m, on turnover up by to £16.33m, on turnover up by

f48m to £325m.
At halfway profits had risen to £9.27m (£7.98m), but the directors said that second half figures tors said that second half figures the current year, the prospect would be affected by high in p/e is about 2 fully laxed.

terest rates.
Mr. Nick Meyer, the chairman
now says that since the year end
a deterioration in the economic a deterioration in the economic situation is having a defrimental effect on consumption and profit ability. However, the group's diversified activities, provide some protection and every pos-sible action is being taken to

sible action is being taken to ensure that the group remains competitive, he adds.
Stated earnings per 25p share are 244p compared with 23.3p, and the dividend is lifted to 6.25p (5.75p) net, with a final payment of 4p, and will cost £3.7m (£3.26m).
Profits for the year included associates' share of £2.94m, against £1m, and were subject to tax of £2.23m (£1.97m). After

to tax of £2.23m (£1.97m). minority losses of £6,000 (£246,000 profits) the attributable balance was £14.11m, compared with £13.24m.

comment

buoyant through last year, the Pre-tax figure for the first had squeeze is now being felt all was struck after depreciation of round at Montague L. Meyer. £51,000 (£47,000) and included Even though money owing to an extraordinary profit of 65000 creditors is up 40 per cent or (nil): After tax, much lower at so at £51m, acquisitions worth £3,000 (£21,000)—entirely due to £8m, together with an £11m inheavy capital expenditure—interesse in stocks, has pushed up profit came through at £155.00 net debt by about £16m to £75m. (£103,000).

ducing a yield of nearly 10 per cent. With pre-tax profits likely to come down to £12im or so in

Deanson on target

DESPITE problems in both the printing and packaging divisions pre-tax profits of Deanson (Holdings) improved from £124,000 in £158,000 for the half year suited March 31, 1930, and were in line with budgets External sales with unchanged at £2,34m.

Mr. John Wilcox, thairman says that trading conditions in the second half so far have deteriorated for all divisions to the extent that profits for the earextent that profits for the car-rent six months will be difficult

to earn. "In these circumstances I can omment not give a reliable forecast of the results for the year." Profit While volume and prices were for 1978-79 was 2215,000.

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M. J. H. Nightingale & Co. Limited

7/28	<u>vo1</u>	at Lane London EC3R 8	EB .		Гервове	01-621	121
197	9-80		· · ·		Grass	Yield	
ligh	Low	Company	Price	Change	Div (p)	% .	. P/
99	56	Airsprung			6.7	12.0	. 3.
50	25	Armitage and Rhodes	· 56	- 1	3.8	15.2	12
285	185		285	42		- 6.8	5.7
100	75		75	_	15.3	20.4	27
101	53	Deborah Ord	94		5.0	5.3	10.3
125	88	Frank Horsell	115xd	t ~'— :.	7.9.	:6.9	3.0
129	737	Frederick Parker	73⅓	xd —	11.0	15.0	. 37
156	- 54	George Blair	94	; 1	16.5	17.5	-
83	_45 .	Jackson Group	83	.· - <u> </u>		7.2	. 3.2
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<u>80</u>	70	Twinlock_12% ULS	· 76 ~		12.0 -	15.8	~~
56 50	23	Unilock Holdings	- 48 .		2.6	5.4	10,2
99	₩.	Unilock Holdings New	46	- , · `	`_ `.	· , · ·	9.2
230		Walter Alexander	94	·	4.4	4.6	-82
230	136	W. S. Yeates	230	+ 2	12.1	- 5.3	3.7

Philip Hill Investment Trust Limited

The Rt. Hon. Lord Keith of Castleacre (Chairman) Sir Harry Moore, C.B.E. Brian A. C. Whitmee (Vice-Chairman)

Bryan R. Basset (Managing Director) The Rt. Hon. Viscount Bearsted; T.D., D.L. A. J. S. Duckworth.

W.J.B. Girardet Julian Martin Smith, M.C. The Hon. David Montagu Sir Denis Mountain, Bart.

Sir Richard Powell, G.C.B., K.B.E., C.M.G.

		Y	ear ended	Five years
	1 2 5.00 A	ر. مراجع:	31.3.80	ended 31.3.80
Performance statistics			%	%
Net asset value			—15	+85
Middle market price (Stock Exchange Daily Official List)			—20	+86
Rate of dividend (net) (excluding special dividend for 1979/80)	. *		+20	+120
Retail Price Index	. · ·		+20	-1103
Distribution of investments at 3	31st Mai	rch 19	80	
Equities and convertibles				ر ماه این و تنطق بیوه افزایش این ای این موادی آن مشهر این
U.K.				78%
Overseas	•		于"我知何为 "我"等"改"。	182%
Fixed income		1 7 3 1 <u>1</u> 1		32%
•				

Copies of the Report and Accounts can be obtained from Philip Hill (Management) Limited, 1 Brewer's Green, Buckingham Gate, London SW1H ORB.



200 100 70 * Earnings after tax, for year ending 31st March 1980

RETAIL PRICE INDEX

year. * Earnings per stock unit 7.831p against 6.244p.

£3.83m - up 25% on previous

* Total dividend 7.0p per stock unit against 5.8p - up 20%



The objectives of Electra Investment Trust remain unchanged; to provide an opportunity for the sophisticated investor, interested in special situations, both listed and unlisted, to participate in a diversified portfolio.

80 70 DIVIDENDS

500

400

300

200

In pursuing this objective the Company hopes, within the next few years, that up to 50% of its portfolio will be invested in unlisted companies. The abolition of exchange controls has encouraged the portfolio managers to look for special situations overseas corresponding to those already identified in the United Kingdom.

The Company welcomes all kinds of investment proposals of a substantial nature. One of its strengths is that its approach is flexible and innovative, with the ability to give rapid decisions in principle.

Referring in his Annual Statement to future prospects, the Chairman, Mr. B. P. Jenks said: "Both at home and overseas, 1980 is proving to be an extremely difficult year for businesses and any investment decision must therefore be made with

However, even in an adverse economic climate, opportunities always arise and I am hopeful that your Company will be well placed to take advantage of them if they do."

For the full Report and Accounts write to :

Name			
Address			
<u> </u>	_		
AN ELEC	TO A UNI	ICE COM	DA

عكذامن الدم

Phelps now warns, but Amax still confident

BY KENNETH MARSTON, MINING EDITOR

ANOTHER major transatiantic generally. natural resource corporation is forecasting a sharp turn-down in carnings following a buoyant first quarter. This time it is Pholps Dodge which expects second quarter earnings to be substantially below those of the first quarter of 1980 and the second quarter of 1979."

Earnings for the first quarter of this year amounted to \$2.31 (97p) per share and those for the second quarter of 1979 were \$1.71 per share. Phelps says that the current decline in earnings comes mainly from higher copper production costs and lower sales of manufactured products, a reflection of the recession in the housing and automobile industries

Earlier this year Phelps, which accounts for about 20 per cent of U.S. copper production, took a cautious view of 1980 prospects despite the revival in fortunes that had been taking place in showing up well against the re-the base-metal mining industry cord \$140.3m earned in the first

situation correctly when he pointed to two major uncertain- 1979 record. ties in the outlook. Firstly, he mentioned the "uncertainty whether our country will move into a recession this year" and, secondly, he cited the uncertainty regarding the expiry at mid-year of most of the U.S. copper labour contracts.

Recession has deepened and the copper workers are on strike with no resumption of negotiations expected until the latter part of next month. The Phelps' latest statement comes hard on the heels of forecasts of sharply lower second quarter earnings by Asarco and the Canadian Inco nickel-copper giant.

· But one transatiantic natural resource major that is still sail-Second quarter results look like

quarter. For the rest of this year Mr. George Munroe, the chair- earnings could be flatter but the man, read this year's developing group still expects that the 1980 total earnings will exceed the

> · Amax has two trump cards and one joker in the pack. The joker is the company's copper interests which are subject to the effects of the unresolved copper workers' strike. One of the trump cards is the continuing high income from energy interests in the shape of oil, gas and coal. The other trump card is the stake in molybdenum which, des pite the group's diversification programme over recent years, re-mains the mainstay of its for-

While the previously high price of moly on the free market has fallen to the lower levels charged by Amax, demand for the metal remains high and its lightweight high strength and anti-corrosive properties are important in steel applications

regained its majority stake in South Africa's General Mining Union Corporation (Sencor).

Pedmyn's holding fell from 63.38 per cent to 44.38 per cent when Gencor issued new shares to buy out the minority in Union

As a result of acquisitions

om companies associated with

Fedmyn has lifted its direct

holding to 50.05 per cent. This

was followed by the purchase from Gencor itself of further

shares to take the stake to 55.72

RUNDLE TWIN IN URANIUM VENTURE

Gold fall hits Rand Mines

VENTERSPOST

An underground fire at South Africa's Venterspost gold mine

has reduced production by 85 per cent. The fire, 2,300 metres

below surface and near the mine's No. 3 Tertiary Shaft, was

discovered late on Saturday night

when immediate arrangements were made to seal off the area

HIT BY FIRE

THE JUNE quarter results of of the mines are compared in the South African gold pro the following table. ducers in the Rand Mines group reveal a similar picture of falling profits to that demonstrated in last week's report from mines in the Consolidated Gold Fields group. They reflect a lower average bullion price received in the period of around \$560-\$570 per ounce, compared with over \$700 in the March quarter, Gold. was \$644.5 yesterday.

The trend towards mining tower ore grades conlinues, but these mines have offset the effects of this to some extent by direasing the tonnage milled, so that overall gold production has

At the net level, lower tax charges and higher sundry income have helped to mitigate the fall in operating profits.

East Rand Proprietary, one of the marginal grade mines in the group, suffered the sharpest everse in net profits with a lecline of almost 25 per cent to 110.68m (£5.9m), after an excellent performance in the revious quarter.

Another marginal, the veteran Jurban Deep, boosted its milling ate sharply, and net profits were

ate sharpy, and net profits were

ust 9.1 per cent lower.

June Mar. Dec.
qtr. qtr. qtr.
R000 R000 R000 R000
lyvoor 20,722 26 488 16,589
urban Deep 5,857 8,444 4,681
Rand Pty. 10,684 13,971 45,526
larmony 31,827 37,432 26,226
The latest quarterly net profits

affected from the rest of the mine. There were no casualties. The area where the fire is burning comprises only 15 to 20 per cent of the mine's production areas but there remains the danger of noxious gas being released into the mine workings while the fire remains incompletely sealed off.

All seals are in position and leakages are being eliminated. It

is expected that this work will be largely completed in the next 24 hours.

The mine is covered by

insurance for 30 days for loss of profit and damage to equipment due to underground fires.

FEDMYN RAISES GENCGR STAKE

lyvoor 20,722 26 488 16,699 In a series of deals worth a total of R82m (£45m), the major armony 31,827 37,432 26,328 Afrikander finance and industrial group Federale Mynbou has

CORRECTION NOTICE

BfG Finance Company BV.

U.S. \$100,000,000 Floating Rate Notes 1989 Extendible at the Noteholder's Option to 1994

Notice is heraby given pursuant to the Terms and Conditions of the Notes that for the six months from 10th July, 1980 to 12th January, 1981 the Notes will carry an interest rate of 95% per annum. On 12th January, 1981 interest of U.S. \$49.73 will be

due per U.S. \$1,000 Note for Coupon No. 4. Agent Bank: * . . . European Banking Company Limited

9th July, 1980

Central Pacific Minerals, one of the companies involved in the

giant Rundle oil shale project, is to take a 17.56 per cent stake in a uranium exploration joint venture in the Ngalia Basin, north-west of Alice Spring in Australia's Northern Territory. The other participants in the

project, which extends over about 900 square miles, are Agip Australia and Urangesellschaft Australia, each with 41.22 per

CEYLON PLANTERS

The board of Cevion and Indian Planters' Holdings and nounces that merger talks with another company have been terminated. However, the board is actively seeking other proposals for the future of the company.

HOPKINSONS HLDGS. Wolstenholms (Radeliffe), a nember of the Hopkinsons Holdings Group, has increased its product range by acquiring the stainless steel valve manufacturing interest of Royles, of

July 14	i	Price	
Sanca Sijbao 226	July 14	%	+ or -
Banco Exterior 210 Banco Hispano 229 +2 Banco Ind. Cat 120 120 Banco Madrid 141 141 Banco Santander 280 145 -2 Banco Vizcaya 238 +3 Banco Vizcaya 238 +3 Banco Zaragoza 211 +3 Dragedos 79 Espanola Zinc 50 Fecas 59.2 -0.5 Gai. Preciados 23.5 -0.5 Hidrola 64.7 10 Patroleos 114.5 +2.5 Patrolibar 86 +1 Sogefisa 107		226	-
Banco Exterior 210 Banco Hispano 229 +2 Banco Ind. Cat 120 120 Banco Madrid 141 141 Banco Santander 280 145 -2 Banco Vizcaya 238 +3 Banco Vizcaya 238 +3 Banco Zaragoza 211 +3 Dragedos 79 Espanola Zinc 50 Fecas 59.2 -0.5 Gai. Preciados 23.5 -0.5 Hidrola 64.7 10 Patroleos 114.5 +2.5 Patrolibar 86 +1 Sogefisa 107	Banco Central	250	
Sanco Hispano 229 +2		210	
Banco Ind. Cat. 120			12
Banco Madrid 141 Banco Santander 280 Banco Urquijo 145 -2 Banco Vizceya 238 +3 Banco Zaregoza 211 +3 Dragados 79 59 Espanola Zinc 50 59.2 Fecsa 59.2 -0.5 Gai. Preciados 23.5 -0.5 Hidrola 64.7 1 Iberduero 61.2 -0.6 Patroleos 114.5 +2.5 Patrolibar 86 +1 Sogefisa 107			
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Talafa-ian 81	Sogefisa	107	
leielonica VI	Teleionica	61	

East Midland Allied Press Limited

1980 again a record year

Record Profits – up 57% at £3,304,000

Increased Dividends - total payment 2.75 net per share (1.738p)

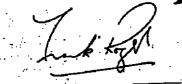
* Earnings per Ordinary Share increased from 8p to 12p



_::

At the Company's Annual General Meeting held on 14th July. 1980, Mr. Frank Rogers, Chairman, said :-

There is no doubt that 1980/81 is going to be a difficult year for industry in general. Given the support of our staff at all levels, the Directors are confident that the Company will continue to make progress from its present diverse and sound base.



Laporte offer values Bio-Kil at £3.75m

tends to recommend acceptance. Bio-Kil's shares are traded under Rule 163 (2)—the unlisted

securities market. It made its debut late last year. Laporte is offering 150p cash for each of the 1m ordinary shares of 10p each in Bio-Kil and the 1.5m non-participaling convertible shares of 10p each The main activities of Bio-Kil and its subsidiaries are the manufacture and sale of wood preservatives and damp proofing

products for remedial treatment against woodworm, dry rot and hising damp.
In the financial year ended
March 31, 1980 Bio-Kil's profit
before and after tax was £232,000

on turnover of £1.05m.

Laporte said yesterday that the acquisition of Bio-Kil will represent a valuable diversification which at the same time will complement certain of its existing activities.

Laporte has agreed that it will

make available to accepting shareholders of Bio-Kil an alternative consideration in the form of Laporte shares. The share alternative will be limited so as to be available in respect of a maximum number of ordinary shares of Laporte, the aggregate value of which will be approximately £1.25m

On the offers becoming unconditional, Mr. K. J. Minton, the managing director of Laporte, will join the board of Bio-Kil.

Directors of Bio-Kil, holding an aggregate 236,249 ordinary shares and 1.42m non-partici-pating convertible shares, totalling 66.2 per cent of the issued share capital, have irrevocably undertaken to accept the offers.

GKN/KISMET Guest, Keen and Netticfolds has acquired most of the assets of Kismet Dynafiex in Bedford,

INGS), the chemical manufac Kismet supplies and services turer, yesterday emerged as the garage and workship equipment, bidder for Blo-Kil Chemicals. The assets acquired will be The assets acquired will be with an offer worth £3.75m. The used by GKN's subsidiary board of Bio-Kil has said that Laycock Engineering, which the terms of the Laporte offer manufactures garage equipment fair and reasonable and in- and automotive components such as clutches and overdrive units.

The move will strengthen Laycock's range and provide a more comprehensive service to its customers and those of Kismet Dynaflex.

SINGLO TEA

The disposal of the Singlo Group's Indian tea interests to Caparo Tea Company has been completed. Consideration was f1.5m to be satisfied as to flm cash and £500,000 in two equal guaranteed instalments 1250,000 each, payable six and 12 months respectively after date of completion (July 10, 1980).

SHARE STAKES

Ferguson/Cawdaw — Cawdaw Industrial Hidgs. has been advised that Ferguson Industrial Hldgs. has acquired a further 10,000 ordinary shares and now owns a total of 375,000 (7.4 per

cent).
Polly Peck (Hldgs.)—A Nadir, director, on July 10 bought 15,000 shares in his own name and 15,000 in name of Tereco Investments, a private company controlled by Mr. Nadir.

Dawson International—Woodbourne Numinees has disposed

of 1,500,000 ordinary shares leaving holding 2,251,474 (3.9 er cent). Clive Discount Hldgs.—Scot-

tish Amicable Life Assurance Society holds 883,400 ordinary. Patnere (Jewellers)—J. M. Ratners (Jewellers)—J. M. Ratner, director, has disposed of 100,000 shares. L. M. Ratner,

Scottish Ontario Investment should be made.

Company-Kuwait Office has acquired 615,000 share making holding 3,165,000 (11.46 per cent).

Hay's Wharf

news that the company is hold

Ten days ago, the KIO made 240p a share cash offer for the bution-to-property group

An announcement yesterday said that the KIO and Hay's Wharf were having talks in relation to the proposed offer and, accordingly, the Stock Exchange had been asked to suspend quotation of the company's Ordinary and Professore. pany's Ordinary and Preference shares. The suspension price was 253p, a rise of 3p on the day. News of the talks brings nearer the chance that the two sides will be able to reach agreed terms for the takeover. The KIO to Hav's Wharf directors that it sees the group continuing on broadly similar lines and that the future for its 3,500

the future for its 3,500 employees is safeguarded.

The key to the outcome of the discussions will be the relations. of Hay's Wharf properties, which

and KIO

Simon and Coates has found outside management with its another engineering vehicle for private and institutional clients. Mr. Jim Dyer, the former_chief Christy Brothers.

Dermot A. Ryan, for a total consideration of £110,000, or 1.375p per preference share, and paid 51p each for 112.625 20p ordinary 67.3 per cent Ordinary of Hay's Wharf it does not already own. The offer, which was rejected as "inadequate," valued the distri-5.1 per cent of the equity. Owing to the weighting of the voting structure, however, the purchases confer 79.3 per cent of the voting rights on Mr. Dyer and his associates.

discussions will be the valuation is now being carried out. The first valuations are coming in director, has disposed of 100,000 and the company—which has shares.

Barker and Dobson Group— acres of land on London's South Electra Investment Trust notifies Bank-should have a full picture that Globe Investment Trust is of its property assets within a interested in 1,793,000 shares week. The KIO will then decide (6.67 per cent).

executive of Armstrong Equipment's fastenings division whom the brokers recently put into The target this time is RTD Group, a Dublin-based company whose electroplating, generator in talks

set and motor accessories interests are all situated in Britain. The broker has purchased all the 8m participating

preference shares in RTD from the chairman and founder. Mr.

shares which is the equivalent of

price rise to 14p vesterday, the firm does not anticipate a flood

of acceptances. The consideration is much smaller than that

involved in the Christy Brothers deal and, in this instance, the

broker is only backing Mr. Dyer with private clients' funds.

RTD is virtually ungeared but

its profits, partly responding to

slumped from £450,000 in 1974

to just £96,000 in the year to end-February last. The purchasers

envisage significant overhead savings and the shares are already responding to the antici-

pated benefits of a fresh capital

and management injection. Mr.

Ryan stays as chairman and

managing director for the time

The acquisition is understood

to be the last deal to be put together on behalf of Mr. Dyer

but the stockbroker is pursuing

further deals which will marry

successive asset sales.

By Michael Cassell

Shares in The Proprietors of Hay's Wharf were yesterday temporarily suspended following ing talks with the Kuwait Investment Office.

To comply with the terms of the City Code, Simon and Coates is making a general offer to all equity holders but, with a share

New engineering

vehicle for Dyer

More sales by Burton directors

The directors of Burton Group have sold shares worth just over film in the clothing company, some three months after a previous spate of disposals by Board members.

Altogether, a total of 870,000 shares has been sold by five directors this time round. The price obtained was 118,2p. The largest disposal was made by Mr. Cyril Spencer, the managing director, who shed 600,000. The chairman, Mr. Ladislas Rice, disposed of 25,000—he sold 100,000 back in April—with Mr. Gerald Slater selling 135,000, Mr. Brian North 100,000, and Mr. Laurence Cooklin 10,000. In April, Mr. North disposed of the same amount at a slightly lower price, while another director Mr. Ralph Halpern sold 380,000.

W. L. PAWSON/ MARSHALL MNFS.

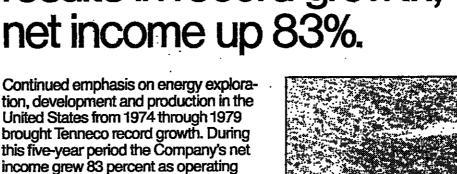
W. L. Pawson and Son, the Leeds clothing and retail group, is to acquire Marshall Manufacturing Company for a considera-tion amounting to £225,000.

This will be satisfied by the issue of 655,582 Ordinary Pawson

The vendors will retain 137,500 of the new shares and Capel-Cure, Myers and Henry Cooke, Lumsden and Company, brokers to Pawson have placed the remainder largely with institutional clients, to raise £170,000 and expenses.

Marshall is a well-established company with freehold premises in Glasgow and a leasehold London showroom in Regent Street. It specialises in the manufacture of ladies car coats, made from pure wool. Its 1979 pre-tax profits were £80,448

Five-year buildup in Tenneco's energy investments results in record growth;



rate was raised by 50 percent.
With more than two-thirds of its income now derived from energy activities, the Company's growth trend continues to accelerate—net income and fully diluted earnings per share were both up 45 percent during the first quarter of this year as compared to the same period last year. And during 1980 Tenneco will invest more than a billion dollars in energy projects in anticipation of further gains.

revenues went up 120 percent. At the

increased 63 percent and the dividend

same time, fully diluted earnings per share

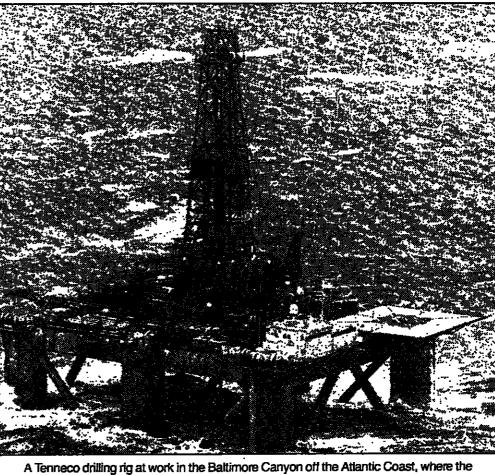
Since 1973 the Company has increased its U.S. natural gas production by 42 percent, compared to an industrywide drop of 13 percent. Its oil production went up 17 percent even though total U.S. production declined by 7 percent. One of our primary efforts has been to develop new sources of natural gas to keep supplies flowing through our 16,000-mile pipeline system.

Tenneco is also involved in nonconventional energy programs including coal gasification and shale oil production.

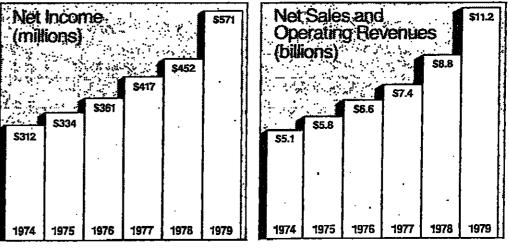
Although energy provides most of Tenneco's income, the Company continues to support strongly its other diversified businesses—farm and construction equipment, automotive components, chemicals, shipbuilding, packaging, agriculture and land management,

and insurance. That's Tenneco today: growing in energy...and more.

For further information about Tenneco, write Section FT-3, Tenneco Inc., Post Office Box 2511, Houston, TX 77001, U.S.A.



Company discovered natural gas and oil in 1979. Tenneco is currently drilling another well in the area in hopes of developing a new natural gas resource for the United States.



ALBRIGHT & WILSON LTD. JI CASE COMPANY LTD. DAVID BROWN TRACTORS LTD. GLOBE PETROLEUM SALES LTD. HARMO INDUSTRIES POCLAIN LTD. TENNECO CHEMICALS EUROPE LTD. TENNECO EUROPE, INC. TENNECO OIL CO. TENNECO WALKER (UK) LTD.

The Secretary, EMAP Limited, 8 Herbal Hill, London ECTR 6JB

Rothschild Investment Trust Limited

	•	31s	t March	
		1980	1979	0/ /0
		£'000	£'000	Change
Net Assets	- pre-conversion	99,404	80,150	24
	 post-conversion 	106,409	92,833	15
Net Asset Val Ordinary Sha	lue per 50p re			
_	 pre-conversion 	405р	354p	14
	post-conversion	396p	345p	15
		Years to 3	31st March	0/ /0
		1980	1979	Change
Profit before	Taxation £	7,601,000	£5,751,000	32
Earnings per : Ordinary Sha	50p re			
_	pre-conversion	18.9p	16.2p	17
	post-conversion	18.4p	15.5p	19
Dividends per	50p Ordinary			
Share		11.5p	9.0p	28
Unaudited net as at 9th July	asset value per 50p Or 1980	dinary Sha	re	
•	- pre-conversion			433p
	 post-conversion 			420p
	- post-conversion,	with		-
	prior charges ded	ucted		
	at market value		•	428n

NOTICE OF REDEMPTION

Copies of the Directors' Report & Accounts will be available from the Secretary

Rothschild Investment Trust Limited, 20, St. Swithin's Lane, London EC4N 8AD.

To the Holders of

Honeywell International Finance Company S.A.

6% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1966 providing for the above Debentures, \$800,000 principal amount of said Debentures hearing the following serial numbers have been selected for redemption on August 15, 1980, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof,

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Distinctive Numbers Ending in any of the Following Two Digits:

Also Outstanding Debentures of U.S. \$1,000 each of Prefix "M" Bearing the Following Numbers:

On August 15, 1980 the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, 13th floor, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt; Amsterdam-Rotterdam Bank N.V. in Amsterdam; Banca Commerciale Italiana in Milan; or Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due August 15, 1980 should be detached from the Debentures and presented for payment

On and after August 15, 1980 interest shall cease to accrue on the Debentures selected for

HONEYWELL INTERNATIONAL FINANCE COMPANY S.A.

Dated: July 15, 1980

By: MORGAN GUARANTY TRUST COMPANY OF NEW-YORK, Trustee

NOTICE The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

Good output and sales figures despite difficult year

Financial Highlights

	9	
	1980	7979
	2002	2000
Turnover	35,472	32,867
Oversecs**	16,309	17.573
Profit before tax	1,243	3.022
Profit aftertax	-	
& minority interests	1,427	1,960
Dividends pershare	9.0p	9.00
Earnings per share		
on profit before taxation	14.3p	-362p
Econings pershare	•	•
on profit aftertaxation	17.2p	23.60
* Does not include a substantial p goods sold in the United Kingdom part of other manufacturers' produced	but exporte	dos

Points from the Review by the Chairman, Mr L.V. D. Tindale

To reduce as far as practicable the physical volume of stocks and work in progress, thus offsetting its rise in cost caused by inflation and internal

difficulties, we decided to alter our trading pattern in Europe. This task is now substantially complete.

The business of Edbro Limited is the mainstay of our activity. Despite difficulties the year produced good output and sales figures.

Our capital programme was maintained. Capacity increased by 25% and productivity also improved. We were encouraged to move

towards a combined manufacturing and selling operation by land adjacent to our main factory becoming available for purchase. Again I find it hard to forecast the

future. Much is still dependent on a buoyant industrial climate. The Annual General Meeting will be held at the Charing Cross Hotel, Strand, London, on 24th July 1980 at

2.30 p.m.
Copies of the Report and
Accounts may be obtained from the
Secretary, Lever Street, Bolton BL3 6DJ.



LRC gets boost from Vinten falls overseas subsidiaries

SECOND HALF pre-tax profits of LRC International, rubber BOARD MEETINGS group, improved from £2.57m to £2.98m and for the full year to March 31, 1980, increased from £5.88m to £6.21m. Figures for the full period were struck after interest up from £1.65m to

Turnover advanced £98.91m to £113.77m. The Board states that the

improved results include more than doubled profits by LRC Industrial Holdings and signifi-cant increases from LRC Europe -up 25 per cent-and LRC Overseas, which showed a 36 per cent increase, following the introduction of the Malaysian

advance overall was achieved after absorbing £291,000 losses in translating profits at the yearend exchange rates.

Tax charged was considerably lower at £707,000 compared with £2,95m, and the Board says this reflects concessions granted in respect of permanent stock relief amounting to £2.06m. The charge was also reduced by £362,000 in respect of tax planning activities in overseas

(£744.000), attributable profit was £5.18m against £2.1m, and

clients. Pre-tax profits have risen from £17,000 in 1976 to £160,000 in the year to February 29, 1980.

and turnover from £65,000 to £576,000.

Of the shares in the placing, 400,000 are being sold by Mr. Jeremy Cates, reducing his hold-

ing from 51 per cent to 24.4 per

cent. Mr. Oates says that the company has a sound base and that he should no longer have

Another 175,000 are being sold

by Mr. lain Nolan, for personal reasons, reducing his holding from 20 per cent to 8.8 per cent.

are being issued by the company

and the proceeds are to be used

to add to working capital and

invest in additional computing

paid any dividends but proposes to pay 1p net a share in the

current year. No profit forecast is provided but the company says

cessing charges, the first since the company's formation, is being imposed next month.

gomery and Company.

comment

The placing has been arranged

ecord is the more impressive

for having been achieved without any increase in computer pro-

cessing charges over six years. Moreover, the client spread is reassuring, with the largest of

some 40 customers accounting for only 15 per cent of turnover.

However, the group has only one

product and one market. Its fortunes depend largely on the

volume of commodity trading by its clients' clients. The directors

do not provide a current year

profit forecast precisely because

commodity trading volume can vary considerably. Rolfe and Nolan also has to contend with

direct competition from a simi-

lar package offered by the Inter-national Commodities Clearing

House and indirect competition from brokers who fancy having

their own increasingly inexpensive mini-computers. At 146

Rolfe and Nolan has not yet Mexico and Utah.

The remaining 300,000 shares

overall control.

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are intering or finals and the sub-divisions shown below are based mainly on last year's timetable.

riest (Benjamine) July 22 ebe Gorman July 21

.1.75p for a total of 2.448p

comment

placing under rule 163(2)

Rolfe and Nolan Computer shares seem fully valued unless

Services, which provides com-puterised trading and accounting 163 (2) computing services com-

services for commodity brokers, pany. Applied Computer Techlis being introduced to the market niques (Holdings) at about 40 by way of a placing of \$75,000 times fully taxed earnings for

10p shares, 35 per cent of those the year ended March 31, 1980.

The company, formed in 1974 after development of the system within commodity brokers, Jeremy Oates now has over 40 company formed

institutions.

U.S. company.

M.C.S. Amalgamations. Brokers 20.89 per cent holding, Yorkshire to the issue are McAnally Mont- and Lancashire Investment Trust

Rolfe and Nolan's profit growth pany (7.5 per cent).

Mr. Roland Shaw, the chair-

issued, at 51p a share.

Dealings under the Stock

Exchange's rule 163 (2) will be Oil and gas

Considering the sharp rise in interest charges and leaving In view of its intention to aside the move into loss at treamline the group's activities. Haffenden-Richborough, LRC's streamline the group's activities. Haffenden-Richborough, LRC's continuing its policy of full year's figures are rather providing for deferred tax.

After minorities and an extraordinary debit of £256,000 per cent overall dividend rise.

(£744,000), attributable profit Whether LRC can afford a higher payout is another question; this stated earnings per 10p share year's earnings figures are lent in net asset value to the are 6.07p (3.18p). The final flattered by the unusually low net ordinary dividends for the dividend is raised from 1.53p to tax charge. The group has been year.

A new oil exploration com-pany was formed yesterday by Arbuthuot Latham, the merchant

bank, and Premier Consolidated Oilfields, the UK oil group. The company, Rocky Mountain Oil

and Gas, is to have a capital of £1.2m and will be owned by a

The company, which is to be

headed by Sir Trevor Dawson, an

Arbuthnot director, has been formed to take up interests in

acreage in the Rocky Mountain

each own 121 per cent of the

578,000 gross acres, covering some 21 hydrocarbon projects

in Arizona, Oregon, Nevada, New

UK institutions, taking a stake in the company, include Scottish

American Investment with

(6.25 per cent), Eastern and International (6.25 per cent), the

Independent Investment Com-

man of Premier Consolidated,

is to be a member of the new

Ropner Hldgs.

AN ENCOURAGING start to the

current year has been made at Ropner Holdings, and Mr. W. G. David Ropner, chairman, tells shareholders that the group faces

the difficult times ahead with

to be comparable with 1979-80, "perhaps better if my hopes for

the short-term market are ful-

starts well

getting its prices up—20 peacent on contraceptives over the year—but it is still having to increase borrowings to finance a relatively modest level of fixed and working capital spending, which suggests profitability is still inadequate. However, it is pleasing to see that the major ITK borrowings to finance a relatively, modest level of fixed and working capital spending, which suggests profitability is still inadequate. However, it is pleasing to see that the major UK businesses — Marigold gloves, surgeon's gloves, Durex and Gumption—are going well, and LRC does seem to be getting to LRC does seem to be getting to grips with its overhead costs. If it can sort out the weak busi-nesses on its periphery, next year, if not this year, may show a fair advance; in the meantime the yield at 31p is nearly 12 per

Murray Northern

BEVENUE, BEFORE tax, of Marray Northern Investment Trust climbed from £759,031 to 2808,233 for the year to May 31,

Tax took £295,068 (£316,490) and earnings per 25p share advanced from 1.54p to 1.79p. A final dividend of 1.15p effectively lifts the total payout by 0.25p to 1.75p, while an unchanged interim of 0.6p is recommended for the current year.
"B" ordinary ordinary shareholders

will receive a scrip issue equiva-

show a slight reduction.

on turnover of £23.36m (£14.97m). The dividend is in-

creased to 4.5p (3.1959p) net per

further behind

The group designs, manufac-tures and markets television camera mounting equipment, aerial reconnaisance systems and ground support equipment and measuring and monitoring instru-

Mr. Michael Brown, the chairman, says two contracts for-reconnaisance equipment have come through too late to help the first half of the current year which is therefore, going to be

more encouraging. In addition to the fact that it accounted for a the two contracts referred to, a number of large military enquiries have been received the board is confident that at which are under quotation, and least one of these will be a firm contract before the end of 1980.

The fact that it accounted for a sixth of group turnover. Viniging exports around 70 per cent of its products directly and indirectly, and although the current year that the second half should evince significant profits growth. During the 1979-80 year the group suffered from delays in conversion into orders of over-seas enquiries of substantial value for military reconnaissance

and systems and from unexpected Gövernment cutbacks. However, their effect was offset to a greater extent than might be expected by the increase in world expected by the increase in worldwide demand for television camera mounting equipment being satisfied through improved

maintaining strict control over

Sales of television camera mounting equipment rose 20 per cent, but those of aerial recon-Rolfe and Nolan makes £0.45m naisance equipment were lower finance, technical and mining because of the lack of a major men.

contract Pitman tutnover. The new directors are Messrincluded for the first time, M. J. Bell, P. Britton, D. Pyle, totalled £1.12m.

F. Sayles and B. Raymond Stops in the current year so far, profits

Yearly earnings per 20p share declined by 4.02p to 9.16p, but the dividend total is stepped up As reported on July 2, pre-tax profits for the year ended March -31, rose from £2.85m to £4.4m.

Here is one company defence commitments which not yet benefited from the Government's increased military Government's increased military spending. Vinten suffered delayer in Ministry of Defence orders and I not begin the year with a very healthy order book from abryd either. As a result profile from the military side dropped to less than \$500,000 last year. Meanwhile, a buoyant market in television camera equipment went some way the compeniate and ended up continued that it is a mend of the continued that it is a compeniate and ended up continued that it is a compeniate and ended up continued that it is a compeniate and ended up continued that it is a compeniate and ended up continued that it is a continued to the poor in terms of sales and profitability.

Prospects for the remainder of the year are however 2 good deal contributed a small loss despited the two contracts referred to a sixth of group are the group. Pluman the two contracts referred to a sixth of group are the two contracts referred to a sixth of group the two contracts referred to a sixth of group the contracts. evince significant profits gree At 1500 the share are trading a multiple of 16 en state earnings and a yield of 27 per-cent — suggesting long-tent growth hopes.

More directors at Mining Supplies

manufacturer, is etrengthen of five additional directors. They are believed to include new

pani. Mr. Bell and Mr. Pyle and

the dividend total is stepped up with the company.

from 2.5p to 2.8p net with a final Mr. Bell is interested by
of 1.8p.

974:350 shares and 450,000 in
Interest charges increased family trusts. This represents from£66,407 to £99.319 and tax 6.3 per cent of the total equity.

CURR

EMAP expects improvement

Despite some adverse factors, trading results so far this year at East Midland Allied Press were about the same as last year but the board believed that some improvement on last year's leases of oil and gas exploration record figures would be seen, Mr. Frank Rogers, the chairman, told Overthrust Belt of the U.S. Pre- the annual meeting.

The land has been packaged y the May Petroleum group, a Mr. Rogers said that although the national economy was moving into a recession, the U.S. independent company based in Dallas, Texas. May will retain diversity of the company was that turnover was up more than a 50 per cent holding of the land 20 per cent in the first quarter. An 18 per cent increase in prowill be taken up by a private protecting it from the worst effects of the downturn.

IDV advances to £16.26m

An increase of £2.23m to £16.25m in pre-tax profits is reported by International Distillers and Vintners, a subsidiary of Grand Metropolitan, for the six months to March 31, 1980. The pre-tax figure was-struck after interest charges up from

For the whole of 1978/79 profit

FERTLEMAN

The shipping side is expected B. Fertleman and Sons and its wholly-owned subsidiary, M. P. Davis and Sons, have been placed filled." And, despite difficulties stemming from strong sterling, the directors expect better

in creditors' voluntary liquida-tion. Mr. S. J. L. Adamson, of Arthur Young McClelland Moores, and Mr. G. A. Auger, of Stoy Hayward, have been times last year's fully taxed earn. On the insurance side, Stoy Hayward, have been ings at the placing price, the although brokerage has increased appointed as joint liquidators.

£5.02m to £7.02m.

There was a substantial in-

crease in sales at £382.69m com-pared with £237.86m. Tax accounted for £1.21m against a credit of £682,000 last time. reached £25.8m.

RESULTS AND ACCOUNTS IN BRIEF

results from engineering.

CALEDONIA INVESTMENTS—Results for year ended March 31, 1980 already known. Market value of listed investments 156.68m (£64.55m), unlisted at directors' valuation £2.29m (£2.25m). Sharahoiders' funds £13.81m (£13.11m). Loans and overdrafts £203.000 (£78.000). Bank balances and cash £1.13m (£204.000). Group holds 49 per cent of British and Commonwealth Shipping. Crewkerne Investments held, as at May 31, 16.28 per cent of Caledonia capital. Meeting, 2, St. Mary Axe, EC, July 23, 3 pm.

CHLORIDE GROUP—Results for year to March 31, 1980 with prospects, already reported. CCA profit reduced from £18.7m historical to £8.1m after adustments for depreciation, £4.6m, cost of sales, £11.5m and gearing. £5.5m. Historic balance sheet shows shareholders funds, £118.6m (£18.7m)—reserves, £86.9m (£37m). Sank overdrafts and short term loans, £29.7m (£24m). Directors say policy is to contain borrowings in current year. Of total borrowings, 68 per cent have repayment dates beyond one year. Borrowing facilities are sufficient to cater for expected peak demend in 1980-81. Meeting, London Hilton, W., July 31 at 11.30 s.m.

DOWNS SURGICAL—Results for yoar ended March 31, 1980, already reported. Shareholders' funds £6.7m (£6.24m). Loans £242.000 (£446.000). Net current assets £4.7m (£6.24m) including overdrafts and current portion of term loans £2.19m (£740,000). Chairman says marked improvements in operating efficiency made within last few years and group is botter placed to take maximum made within last few years and group is botter placed to take maximum

adventage of any increase in demand.

New French subsidiary will not make any significant contribution for year or two, but he is confident it will help expansion and further development of Common Market business. Meeting, Selfridge Hotel, W. July 25, noon.

EVA INDUSTRIES (engineering, agricultural)—Results for year ended March 31, 1980, reported June 5, Shareholders funds £14.49m (£13.49m), Bank borrowings £2.92m (£7.17m). Future capital expanditure £1.07m (£262.000). Pre-tax profit of £1.87m (£1.98m), reduced to £366.000 (£1.17m) on CCA basis. Meeting, Midland hotel, Manchester, July 30, 11.45 am.

NEW THROGEMORITON TRUST (invest-

on CCA basis. Meeting. Midland Hotel, Manchester, July 30, 11.65 am. NEW THROGMORTON TRUST (investment company)—Results for year ended Merch 31, 1980, stready known. Shareholders' funds £9.78m (£9.66m). Bank deposits and current eccounts £2.33m (£15.54m). Meeting. 25 Milk St., EC, July 22, 12.30 pm.

PAULS AND WHITES (maltster, numar faeding stuffs manufacturer, flour miller)—Results for year to March 31, 1980, stready known. Histotroc pre-tax profits of £7.98m (£7.54m) reduced to £5.88m (£6.53m) on CCA basis. Shareholders' funds because the first profits of £7.98m (£7.54m) reduced to £5.88m (£6.53m) on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds because the first profits of £2.000 on CCA basis. Shareholders' funds between the first profits of £2.000 on CCA basis. Shareholders' funds between the first profits of £2.000 on CCA basis. Shareholders' funds between the first profits of £2.000 on CCA basis. Shareholders' funds between the first profits first profits of £2.000 on CCA basis. Shareholders' funds between the first profits first profits of £2.000 on CCA basis. Shareholders' funds between the first first profits first profits of £2.000 on CCA basis. Shareholders' funds between the first first profits first profits of £2.000 on CCA basis. Shareholders' funds between the first fi

12.15 pm.
STAVELEY INDUSTRIES (Mechanical and electrical engineer and distributor of self and ilmestone producet).
Results for year to March 29, 1980, and prospects reported June 13, Shareholders' funds £4.86m (£40.62m), bank overdrafts £3.93m (£8.56m), benk belances, cash and deposits £2.96m (£3.06m). Meeting, 12 Great George St., SW, July 23, noon.

(E3.06m). Meeting, 12 Great George St., SW, July 23, noon.

VALOR (heating, cooking appliances)

—Results for year to March 31, 1980, reported June 13. Shareholders' funds ITS.4m (F13.63m). Benk and cesh balances IZm (I1.97m). Benk averadraft IT7.006 (nil). Future capital expenditure IT.83m (IS17.214). Historic pre-tex profit IZ-52m reduced to E1.83m on CCA basis. Meeting, 4, Dowgste Hill, EC, July 24, noon.

WESTBRICK PRODUCTS (building component menufacturer)—Results for year to March 31, 1980, almady known. Shareholders' funds IA.93m (IA.04m): borrowed money (including overdrafts) ISS3.000 (II.18m). Historical pre-tax profits of IT62.000 (IS97.000) reduced to IZS5.000 on CCA basis. Company expects to maintain its market position throughout the remainder of the year. Meeting. Rougemont Hotel, Exeter, July 25, noon.

WGI (construction and engineering group).—Results for year to March 30, 1980, reported on June 17. Historical pre-tax profits of IZ.21m (IZ.06m) reduced to IZS5.000 (II.45m) on CCA basis. Increase in working capital IZ.02m (decrease 1928.000). Chairman remains confident. Meeting, Wilmslow, Cheshra, July 22, noon.

share.					
Balance sheet shows share holders' funds of £12.16m	FUROP	FAN O	PTIONS	FXCHA	NCE -
(£10.48m), loans amounting to				(
£8.25m (£10.21m), and bank		July :	Oot	Jan:]
balances and short term deposits	Series	Vol. Last	Vol. Last	Voi. Last	Stock
of £2.15m (£3.35m).				r \ \ \ \ \ \ \	200
Meeting, Darlington, August 4,	ABN C , F.300 AKZ C -F.22.50	1 0.50		2 2.50	F.23.10
	AKZ C F.25		7 0.80	25 110	
at noon.	AKZ P F.22,50	i * - - '	5 0,30	17 - 1	1 7
	AKZ P F.26		: ^ - _1:?	10 2.50	.
TRACAD	EK C \$50			(名) 京村 (名) 査	50678 F 58
EMAP expects	IBM C \$55			8 9	\$627g
I	I IBM C 660	200 25	101 43	100 6	
improvement	IBM C \$65		24 7.50	假 年間 洗。	
improvement	KLM C F.70		22 3	15 4	FAS
Despite some adverse factors.	KLM C F.80		22 110	رَّئِرِہ اِ ﷺ ا	
trading results so far this year	KLM P F.60		.66 3.20	(° ← 1 ° − ·	ان المدن إ
at East Midland Allied Press	KLMP F.70		I 8.20	12 12	ት I
were about the same as last year			√:Œ≤kaæ,		5-3-4
but the board believed that some	NAT C F.109.10		19 4.50)÷1 =	F.110:90
improvement on last year's	PHIC F.17.50			바루고 18 조기	F.17.80
record figures would be seen. Mr.	PHIC F.20		20 0.30	76 0.50	
Frank Rogers, the chairman, told	RD C F.145	4 21.60		上海岩 哲 곡의	F.166.79
the annual meeting.	RD C F.150		55 17.40 62 9		1 7 7
	RD P F.170		31 3.60) : <u>- </u>	1 10 15
For the year ended March 29,	RD P- F.140	h	45 0.40		1
1980, the newspaper and national	RD P F.150		-71 1.20	- A - A	30 (10)
publication group reported pre-	RD P F.160 RD P F.170		75 3.80 10 9.40	2 6.20	j
tax profits up from £2.1m to	UNIC F.TIO		10 113.50		- 201 00-
£3.3m, on turnover of £32.3m	UNI C F.116		10.10.00		1 444,054
(£24.2m).	UNIC F.120		50 5.10	_ _	" "
Mr. Rogers said that although	UNI P F.115	·	5 1.50 -	1	
the national economy was	UNIP F.120	3 .	25 2.80	- -	000
moving into a recession, the	XXX C 850		1 73		857
diversity of the company was		Ang.	Nov.	Service Fabrus	3.00
protecting it from the worst	CIT O DM DDO SO			reu.	
effects of the downturn.	- SIE C DM.280.80 VEB C DM.150	10 1	5 6.50	2 10.50	DM208.76
The board was confident the	TOTAL VOLUME II	•	·		
company would continue to make				1772	
progress from its present diverse	C=C	레 P=P	W.		2 3 7 7
and sound base.				·	4 5-4-4-4
· [- 			
					

IDRIS HYDRAULIC TIN LIMITED Extract from the Statement of the Chairman, Mr. J. N. Savory, M.B.E.

In 1979 we ran into some localised enrichments of virgor ground at depth with the result that output of tin con-centrates at 269 metric tons showed a substantial increase the previous year's figure of 215 tons; while gross profit before depreciation was more than doubled at £574,928. These results were helped also by the higher price received for our ore at M\$1,059 per picul compared with M\$935 in 1978.

The net profit after taxation amounts to £207,478 (1978 + £103,000) and your Board has declared dividends totalling. 14 pence per share (1978 - 8 pence per share) at a cost of £179,200. After transferring £25,000 to General Reserve the balance carried forward to 1980 is £75,576, an increase of £3,279 over the equivalent figure for the previous year. Operations were confined to two units in the cantral section of the property. section of the property.

For 1980 operations will continue with the existing two units working in ground similar to that of the previous year, but of slightly lower grade.

Investigations into the possibility of opening a third operating unit are in hand.

Production for the first three months of the year was 926 piculs compared with 1,091 piculs for the same period last year. Overall results are expected to be slightly lower. Approvals for the renewal of mining leases covering 26.5 acres for a period until 23.3.84 were received from the State

> Notice U.S. \$75,000,000 IC Industries Finance Corporation N.V.

Guaranteed Floating Rate Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from July 15, 1980 to January 15, 1981 the Notes will carry an interest rate of 101/2% per annum. The interest payable on frie relevant interest payment date, January 15, 1981. against Coupon No. 3 will be US \$51,75.

By: The Chase Manhattan Bank, National Association, New York Fiscal Agent

21

£ and \$ quiet

Major currencies showed little change in yesterday's foreign exchange market, with business confined to very parrow ranges. There was little in the way of fresh factors to stimulate much movement as was shown by sterling's trade weighted index, which remained at 74.5 at all three of the day's calculations, unchanged from Friday Against the dollar, sterling opened at \$2.3750-2.3760, and rose to a best the dollar, sterling opened at \$2.3750-2.3760, and rose to a best the dollar, sterling opened at \$2.3750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to a best the Duting the morning of \$3.33750-2.3760, and rose to \$2.3710-2.3720, but closed at \$2.3755-2.3765, but closed at \$2.

close close. The dollar was slightly firmer overall, with Euro-dollar rates showing gains of up to a quarter of a gaint in places. Against the D-mark-the U.S. unit finished at DM 1.7435 compared with DM 1.7375 on Friday, and SwFr 1.5040 against SwFr 1.5030 in terms of the Swiss franc. It was also firmer against the Japanese yep, rising to Y218.25 from Y217.55. On Bank of England Agures, the dollar's trade weighted index rose to \$2.9 from \$2.8.

D.M.R.R. — Slightly weaker within the European Monetary System recently, but showing a firmer trend against the dollar following a sharp narrowing of Euro-currency rate differentials—There was no intervention by the Bundesbank at yesterday's system in Franceira when the

the Bundesbank at yesterday's fixing in Frankfurt, when the dollar was fixed at DM 1.7437, hardly changed from Friday's figure of DM 1.7438. Interest rates showed little movement during the earlier part of the day, and in the absence of any fresh factors, currencles showed very little change. Sterling rose easier against the U.S. dollar in to DM 4.1500 at one point, but Tokyo yesterday, with the U.S. came back to be fixed at unit quoted at Y218.25, compared with an opening level of Y218.40 and Y217.89 on Friday, Trading ing steady within the EMS was generally quiet.

the French franc fell to Fl 47.16 per FFr 100 compared with Fl 47.18 on Friday. ITALIAN LIRA - Still the

ITALIAN LIRA — Still the weakest currency within the EMS, but showing a steadier tendency following the early July support package—The lira was slightly firmer against most currencies in Milan yesterday, with the dollar fixed lower at L830.45 against L830.80, and sterling dipping to L1,973.6 from L1,973.55. Within the EMS the Dutch guilder eased to L833.51 from LA35.20 while the D-mark was unchanged at L476.30. was unchanged at IA76.30.

JAPANESE YEN — Steady in recent weeks, after showing a marked recovery on the down-ward trend in U.S. interest rates. Last year fears about energy supplies and balance of payments problems severely depressed the currency. The yen was slightly easier against the U.S. dollar in

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				The second second second		<u></u>			_

	central retes	amounts against ECU July 14	CENTRAL .	% change djusted for divergence	Divergence
German D-M French Franc Dutch Guilder Lish Punt Hulian Lite	7,7238 lark 2,48208 5,84709 7. 2,74362 0,668201 1157,79	- 5.83643 - 2.75330 - 0.672043 - 7198,31	+3.50	+0.67 +0.22 +0.67 -0.88 -0.35 -0.13 +2.88	±1.53 ±1.64 ±1.125 ±1.3557 ±1.512 ±1.688 ±4.08
Ch	engas are for Eleak currency. Ac	CU, therefore Jjustment cale	positive chang culated by Fig.	e denotes a ancial Times,	

Changes are for ECU, therefore pos week currency. Adjustment calculat	itive change denote led by Floancial Tim
XCHA EXCHANGE CROSS RATES	in and the second

THE POUND SPOT AND FORWARD

.73 3.65-3.55 pm .49 3.05-2.95 pm .62 6 ² -5 ¹ - pm .63 46-36 pm .93 6 ² -8 ³ - dis .33 0.18-0.13 pm	4.41 2.47
.49-3.05-2.95 pm .62-6 ² 5 ³ - pm .63-46-36 pm .93-6 ³ 8 ³ -dis	4.39 4.41 2.47 -2.30
.62 6 ² :-5 ¹ : pm .63 46-36 pm .93 6 ³ :-8 ³ : dis	4.41 2.47
.63 45-35 pm .93 61 ₂ -81 ₄ dis	2.47
.93 61 -84 dls -	
	0.56
60 74-64 pm	6.40
	-2.77
	11.46
	-6.85
	5.83
	3.64
	1.07
	2.62
	4.42
	9.56
	.36 17",-15% pm .88 5%-8% pm .06 3%-2% pm .70 3.60-3.20 pm .55 35-30 pm .05 10-9 pm

Belgian rate is for convertible trance. Financial franc 66.80-66.90. Six-month forward dollar 5.22-5.12c pm. 12-month 7.45-7.35c pm. Canado July 11 2.7330-2.7340 Close.

THE DOLLAR SPOT AND FORWARD

July 14	Day's	Class		%	Three	7,
		Close	One month	ρ.a.	months	p.a.
UKT	2,3710-2,3785	2.3755-2.3765	1,58-1.48c pm	7.73	3,65-3.55 on	5.06
Ireland	2.7460-2.1490	2.1470-2.1480	1.40-1.30c pm	7.54	3.55-3.45 pg	8.52
Canada	1.7491-1.1510	1.1503-1.1506	0.13-0.18c dis	-1.62	0.42-0.47dis	-1.55
Nothing.	1,9055-1-9090	1.9065-1.8075	0.15-0,20c dis	-1.10	0.25-0.30dis	-0.58
Beiglum	27.92-27.96	27,94-27.98	91 ₇ -11c dis		23-26 dis	-3.51
Desmark	5,4050-5,4080	5,4065-5,4080	34-44 ore dis	-8.88	194-114 dis	-8.74
W. Ger.	1.7410-1.7460	1,7420-1,7430	par-0,10pf dis	-0.34	0.20-0.10 pm	0.34
Portugal	48.60-48.76	48.62-48,72	30-40c dis		70-110 dis	-7.40
Spain	70.56-70.67	70,59-70.63	65-85c dis			13.88
Italy	830.00-831.00	830,25-830.65	8-17lire dis			- 13.25
Norway	4,8030-4.8055	4.8038-4.8048	0.25ore pm-0.25	dis —	par-0.50 dis	-0.21
France	4.0435-4.0480	4.0445-4.0460	0.90-1.10c dis		2.30-2.50dis	
Sweden	4,1190-4,1240	4.1190-4.1210	1,90-1.95ore dis		5.35-5.50d s	
Japan	217.80-218.40	218.20-218.30	0.70-0.85y dis		1.75-1.90dis	-3.34
Austria	12,37-12,384	12.374-12.384	1.80-2.20gro dis		3.75-5.50dis	-1.49
Switz.	1.6020-1.6070	1,6035-1.6045	0.62-0,57c pm	4.45	1.70-1.65 pm	4,18

† UK and freland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY	MOVE	MENTS	CURRENCY RATES					
July 14	Bank of England Index	Morgan Guaranty Changas Z	July 10	Bank rate	Special Drawing Rights	European Currency Unit		
Sterling U.S. dollar Canadian dollar Austrian schilling seiglan franc Danish kroner Deutsche mark Swiss franc Guilder French franc Lire Yen Besed on trade we Washington sgreen (Bank of England	81.5 157.8 107.9 156.4 200.3 126.3 102.5 63,1 129.5 Aghted else	mber, 1971	Sterling U.S. S. Canadian S. Aurtria Sch Beiglum F Danish K. D'mark. Gullder. French Fr. Ura Von Norwgn. Kr. Spanish Ptr. Swedish Kr. Swedish Kr.	11 10,63 634 13 13 719 913 912 15 912	1,55005 16,4727 37,2268 7,18858 2,32009 2,54056 5,38711 1106,30 289,180	0,60718 1,44296 1,65580 17,8567 40,3452 7,80138 8,51537 2,75274 5,83967 1198,740 5,93 77 101,745 5,949862 2,31119		

OTHER CURRENCIES

July 14	£	5		£ Note Rates	ļ
Argentina Peso	4413-4433	1961-1868	Austria	29.15.29.45	ı
Australia Dollar	2.0430-2.0470	0.8610-0.8615	Bolgium	66,25-66,85	Ĺ
Brazil Cruzeiro	193 78 124 78		Denmark	18.77-12.86	ı
Finland Markka	8.55 to 8.56 to		France		
Greek Drachma	100 001 107 775		Germany		ı
Hong Kong Dollar	11 64 11 658		italy		ľ
			Japan		ı
Iran Rial		0 0557 0 0554	Netherlands	4,511: 4,541:	1
Kuwait Dinar(KD)	0.030 0.030				
Luxembourg Frc.	66,35-66,46		Norway	11.37 11.45	1
Malaysia Dollar	8.0780 5.0895	2,1405 2,1425	Portugal	112-116	П
New Zealand Dir.	2.4955.2.4005	1.0095-1.0105	Spain	1614-1683	Ľ
Saudi Arab, Riyal	7.86.7.92		Sweden	9,77-9,84	. '
Singapore Dollar.	5 0100 5 0215		Switzerland	3,791g 3,821g	ľ
Sth. African Rand	1 8150 1 8175	0.7610 0.7650		2.367 2.376	ı
SUIL ATTICAL RELIC	1.01.00-1.01	3,7010-3,7040		6214-5619	ı
U.A.E. Dirham	0,11.6,00	3,7010-3,7040	1 09 JSI&YIX	A41-4-90-4	1

July 14	PoundSterling	U.S. Dollar	Deutschem*k	Japan'seYer	FrenchFranc	Swiss Franc	DutchGuild'	Italian Lira	Canada Dolla	Belgian Franc
Found Sterling	1,	2,375	4.143	518.5	9.505	3,813 .	4.533	1972.	2,733	65,40
	0,421	1	1.745	218,2	4.043	1.605	1.908	829.8	1,150	27,95
Deutschemark	0.241	0.574	7.989	125,2	2,319	0.980	1,094	475,9	0,660	16.03
Japanese Yen 1,000	1.929	4.582		1000.	18,52	7,353	8,742	3802.	5,870	128,1
Franch Franc 10	1.041	2.474	4.313	539,8	10.	3.969	4.719	2053.	2.945	69.13
Swiss Franc	0.262	0,523	1.087	138,0	8,519	1.	1.189	517.1	0,717	17.41
Butch-Guilder	0,221	0.524	- 0.914	114.4	2.119	0.841	1.	435.0	0.603	14.65
Ralian Lira, 1,000	0,507	1.205	2.101	253.0	4.872	1.934	2.299	1000.	1.386	33.68
Canadian Dollar	0.356	0.870	1.516	169.8	3,515	1,395	1.659	721,5	4.115	24,30
Beigian Franc 100	1.506	3.578	6.239	780.9	14,47	5.742	6.826	2969.		100.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 14)

M. P.	5 month U.S. dollars 6 month U.S. dollars bid 9 9/18 offer 9 11/15 bid 9 7/8 offer 10		the bid	ing rates are the ar land offered rates t each working day. Doutsche Bank, B	for \$10m quoted . The banks an	by the mark a National \	et to Eve ref Westminster	lerence bank Bank, Bank	s at t of
A STATE OF A STATE OF	EURO-CURRENCY INTEREST RATES (Mark	i.	osing Ra	West German	ench Franc' Ita	allan Lira	Asian 8	Japanese '	Yen

EURO-CURRENCI (INTERES): ARTES (market Closing Rates)										
July 14	Sterling	U.S.Dollar	Canadian Dollar	Dutch Gulider		West German Mark	French Franc	Italian Lira	Asian 8	Japanese Yen
Short term	.165g 167g 185g-161g 141g 145g	91 ₈ -95 ₈ 91 ₄ -91 ₂ 91 ₄ -91 ₃ 91 ₆ -10 ₁₆ 91 ₈ -101 ₈	101g-121g 101g-121g 111g-111g 11-115g 165g-11 105g-11	1014-1012 ; 1014-1012 ; 1014-1012 ; 1018-1036 ; 1018-1036 ; 10 1014	44-5 44-5 514-336 516-516 53-512 416-516	914-956 914-956 914-956 914-956 914-956	117g-121g 117g-121g 117g-121g 117g-121g 117g-121g 117g-121g 12-121g	14-17 191 ₂ -22 191 ₄ 203 ₄ 211 ₂ -221 ₂ 21-22 193 ₄ -203 ₄	914-958 914-958 914-958 912-958 934-978 976-10	13-131 ₂ 13-131 ₄ 127 ₈ -131 ₈ 123 ₄ -127 ₈ 125 ₈ -123 ₄ 93 ₈ -97 ₈

Long-term Eurodollar two years 104-105 per cent; three years 104-11 per cent; four years 11-111 per cent; five years 114-115 per cent; nominal closing rate. Short-term rates are call for sterling. U.S. dollars, Canadian dollars and Jaganese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposits one-month 9.15-9.25 per cent; three-months 9.25-9.35 per cent; six-months 9.30-9.40 per cent; one years 9.40-9.50 per cent.

INTERNATIONAL MONEY MARKET

Europe rates steady

European short-term interest early trading—slightly firmer rates: showed little change than on Friday—following indivesterday, with the Paris money cations that the Federal Open market closed for a public Market Committee probably did holiday. In Frankfurt call money not ease its credit policy at last was quoted at 9.75-9.85 per cent, week's meeting. holiday. In Frankfurt call money was quoted at 9.75-9.85 per cent, compared with 9.70-9.90 per cent, on Friday, and one-month at 9.75-9.90 per cent. Tures-month funds eased to 9.70-9.85 per cent from 9.75-9.95 per cent, but sixmonth were unchanged at 9.15-9.35 per cent, and 12-month at 8.60-8.90 per cent, and 12-month easer trend of late has been encouraged by a facility made available by the Bundesbank, adding DM 3.5bn of liquidity to the market last week. On the adding DM 3.5hn of liquidity to the market last week. On the other hand tax payments are expected to draw money from the market and this, coupled with a seasonal increase in the note circulation, may lead to a rise in exterest rates later this week.

In Amsterdam call money was 103-104 per cent, compared with 101-101 per cent compared with overnight to three or four week end, while period rates Rate.

Were unchanged at 101-101 per cent for one-month and three month; and 101-101 per cent for surplus balances, and there was lodged with the Bank of England a small excess of Government by the clearing banks under the

in New York Federal Funds traded around 91 per cent in

MONEY

NEW YORK

GERMANY Discount Rate ... Overnight Rate

FRANCE.

Treesury Bills (13-we Treesury Bills (26-we

UK MONEY MARKET Large

Bank of England Minimum Leding Rate 16 per cent (since July 3, 1980) Day-to-day-credit was in short supply in the London money market yesterday, and the authorities gave large assistance by buying a moderate amount of Treasury bills and a small number of local authority bills from the discount houses, and

Sharp fall

speculation on further U.S. gold sales, and the release of one of the U.S. hostages previously held in Iran may have undermined confidence in the metal. It

finished around its worst level of the day, having opened at \$660-663. The afternoon fixing took much longer than usual, lasting over an hour, after which gold

was fixed at \$650.00.
in Frankfuri the 124 kilo bar London bullion market yesterday was fixed at DM 36,500 per kilo to close at \$643-646. Market (\$651.05 per ounce) compared sources suggested that recent with DM 37,270 (\$665.05) on

	1	July 14	Jul	ly 11
	Go	ld Bullion (fine)	onuce)	
Closs Dening Morning fixing Afternoon fixing	\$649	(£270 ³ 4-272) (£2775 ₄ -279 (£272,941) (£273,861)	18668-671 8668-666 8658,50 8667	(£28034-28214) 1227914-28034, 1£279.368- (£280.606)
		Gold Coins	•	•
New Sovereigns King Sove Victoria Sove Franch 20s	\$187-189 \$187-189 \$1661 ₈ -1691 ₂	(£279-281) (£277-280) (£685, 691 ₂) (£781 ₂ -791 ₂) (£781 ₂ -791 ₂)	\$689-691 \$685-689 \$1694-17012 \$190-192 :\$190-192 [\$170-173	(£2893, 2913) (£288-290) (£711,-7214) (£80-82) (£80-82)
50 pesos Mexico 100 Cor. Austria. \$20 Engles	\$800-805 \$630-835		\$822.827 \$655.660 \$770.774	-

these were outweighed by large ment of the moderate amount borrowed by the market on Friday. Discount houses paid surplus balances, and there was lodged with the Bank of England around 16 per cent for secured a small excess of Government by the clearing banks under the call loans, with late balances disbursements over revenue pay- corset regulations, and repay- taken at 151-16 per cent.

LONDON MONEY RATES

Sterling July 14 Certificate Interbank Authority negotiable House Deposits Company market Treasury Bank Bills Bill			LONDON	111011	100.	<u> </u>							
Overnight 15-1712 2 days notice 1659-1634 1712-1712 2 days notice 1659-1634 1712-1712 2 days notice 1659-1634 1712-1712 1532 1712-1712 1712-1712 1532 1712-1712 1712-1	RATES	<u> </u>	1980	Certificate		Authority	negotiable	House		market	Treasury	Bank	Trade
0.25	reak)	11½-11½ 9¼-9½ 8.24 8.22 7.5 9.80 9.80 9.825 9.775	Overnight 2 days notice. 7 days or. 7 days notice. One months. Three months. Nine months. One Year.	163-165- 16-16- 15- 16- 16- 16- 16- 16- 16- 16- 16- 16- 16	164-174- 164-184- 164-164- 158-164- 145-147- 137-144- 138-134-	1659-1654 1659-1654 1614-1858 1514-16 1414-1478 1314-1358	1714-1759 17-1712 1834-1618 1439-1434 1438-1434	17 · 1658 · 1658 1518 1438	17-171 ₄ 17-171 ₈ 16:q-161 ₂ 15 141 ₄	_ 15½-15½ 15¾ 15¼	14%-14% 1459-14% 1459-14%	· 16-16 ₁₆ 151 ₄ -15 ₂₅	16 če 15 če

Local authority, and finance houses seven days' notice, others seven days' fixed. "Long-term local authority mortgage rate nominally three years 132-132 per cent; four years 132-132 per cent; five years 133-133 per cent. Wank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 1433-144 per cent; four-month trade bills

Approximate selling rate for one-month Treasury bills 14% per cent; two-months 14% per cent; three-months 14% per cent; two-months 15%-15% per cent; three-months 15%-15% per cent; three-months 15%-15% per cent; three-months 15%-15% per cent; three-months 15% per cent; three-months 15% per cent; three-months 15% per cent; two-months 15% per cent and three-months 15% per cent; two-months 15% per cent and three-months 15% per cent; two-months 15% per cent and three-months 15% per cent; two-months 15% per cent and three-months 15% per cent; two-months 15% per cent; two

WORLD VALUE OF THE

The table below gives the latest available rates of exchange for the pound against various currencies on July 14, 1380. In some cases rates are nominal. Market rates are the avarage of buying and selling rates (Bk) bankers' rate: (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (sxC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (ag) salling rate. no direct quotation available; (F) francte; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other then Scheduled Territodes; (T) tourist rate; Abbraviations: (A) approximate rate, (Bas) basic rate; (bg) buying rate;

China C. Faso C. Fas	PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Agerita Other France Section	Afghanistan Afghani		Greenland Danish Kroner		PeruSol	exc (A)651,21
Angele. Services 50.000		10.10	Grenada (5) E. Caribbean 5	6,40	Philippines Philippine Peso	17,25
Angola. Spanish Peests 167.25 Guideas Republic. Syll 44.05 Argentina. Ar. Pees Free Rate 4,423.0 Guideas Republic. Syll 44.05 Australia Syll	Algeria Dinar	9,1020	Guadaloupe Local Franc	9,6050	Pitcairn Islands (S) Sterling	2 3080
Arigentina (S. C. Cruttbean S. 1. 2.050) Australia (S. Australian S. 2.050) Australia (S. D. Australian S. 2.050) Bahamat (S. D. Den Control Contro	Andorra French Franc		Gustamala Quatrat			
Andigue 13. — E. Carribbeans S. 4.72.0.0 Any Company of	ADGOIA NW8D79	66 232	Guinea Republio Svii	44.00	•	(1)70.88
Australia (S)	Antiqua (S) E. Caribbean S	6,40	Guinea Bissau Peso	78,45	Portugal Portugu'se Escudo	i 115.50
Baharai (3) B. Bollar 2,3760 Dinar 1,565 Dinar 1,565	Argentina Ar. Paso Frae Rati	4,423.0	Guyana (8) Guyanese \$	6.0590	Puerto Rico U.S. \$	2.3760
Baharai (3) B. Bollar 2,3760 Dinar 1,565 Dinar 1,565	Australia (S), Australian S		HattiGourd	11.90	Gatar (S)	8,65
Baharai (3) B. Bollar 2,3760 Dinar 1,565 Dinar 1,565	Austria Schilling		Honduras Repub.,. Lempira	4.76		9.6050
Sahrang Ch. Dinar Sahrang Ch. Dinar Sahrang Ch. Dinar Sahrang Ch. Sahadoa \$f\$ \$7.50			Hong Kong (S) H.K. S	11.649		((Cm)10.48
Balearic laice. Spa. Peasta Spa. Peasta Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa. Spa.	Bahama1 (3) Ba. Dollar		Hungary Forint	(COM) 74,0848		(n(c) T28,13]
Barbados	Polestic Islan Sha Paceto					210,34
Barbados	Bandadesh (St Taka	34.52	liceland (St 1. Kronz		St. Christopher (S). E. Caribbean S.	6.40
Beitz. 9 8 9 7.7520 Berninds (5)	Barbados (S) Babados \$11	4,7520	IndonesiaRupiah	1.484.35	St. Helena St. Helena ≥	1.0
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Serior S	Baller B S	((10) 66.85	IraqIraq Dinar	0,70135	S. Vincent (S) E. Caribbean S	
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*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. † General rates of all and Iron exports 99.80, **Reta is the transfer market (controlled). If Rate is now based on 2 Barbados 5 to the dollar. ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilisteral agreement with Egypt; and who are not members of IMF. (§) Based on gross retea against Ruselon rouble. (1) Official rate for exports and imports.

This announcement appears as a matter of record only



U.S. \$40,000,000 **Term Credit Facility to**

Banco Ambrosiano Holding société anonyme

Luxembourg

Arranged and Managed by

Midland Bank France S.A.

Provided by

Al Saudi Banque

Banco Hispaño Americano, Paris

The Bank of Tokyo Ltd., Paris

Banque Française du Commerce

The First National Bank of Boston,

International Westminster Bank Limited,

Lloyds Bank International (France) Limited

Midland Bank France S.A.

National Bank of Canada

Banco Portugues do Atlantico,

Banque Commerciale pour l'Europe du Nord (EUROBANK)

Pierson, Heldring & Pierson N.V.

Banco do Estado de São Paulo-

BANESPA, Paris Branch

Banco Pinto & Sotto Mayor, Paris Bránch.

Banque Intercontinentale Arabe



July, 1980

Westinghouse Electric ahead

WESTINGHOUSE ELECTRIC, the U.S. electrical equipment manufacturer, has pushed up sales and earnings for the second quarter, largely because of continued growth in its defence and nuclear power

The company has recorded second-quarter earnings of \$103.9m against operating net income of \$90.9m in the same period last year. An extra-ordinary charge in the 1979 quarter of \$169.96m from the settlement of a uranium contract suit resulted in a net loss of \$79m.

Income down

at Reynolds

By Our New York Staff

REYNOLDS METALS,

buildings products division.

\$97.7m or \$5.12 last year.

could affect margins.

increases

First-half net income was \$110.2m or \$5.72, compared to

Shipments of aluminium in

the second quarter were 351.800

tons down from 353,700 a year

1980 to be one of the best years

Analysts on Wall Street have

predicted that earnings this year at Reynolds will be about

the same as last year's \$9.25 a

share. About 70 per cent of

earnings come from production

of aluminium, with a further 31

per cent from finished product

The company is hoping that

Haiti and Arkansas. Uncon-

recorded sales of \$1.2bn last

year, with Reynolds' equity in their loss standing at \$4m.

Loss from

Financial

Federation

By Our Financial Staff

FINANCIAL FEDERATION.

the Los Angeles-based savings

and loan group which is subject to a \$221m offer from Great | Western Financial, dropped to a

\$1.5m loss in its second quarter

compared with a \$5.5m profit in the same period of 1979. After six months profits were \$1.87m

against \$10.5m.
The company said its perform-

affected by problems besetting

the savings and loan industry.

However, the company expects

to return to profits in the third

quarter because of the substan-

the past three months.

affiliates

ance continued to be adversely the \$232.8m. or \$1.59 a share.

tial drop in the cost of funds in increased selling prices as U.S.

If the bid from Great Western, Profits had been squeezed by

would create one of the largest | Du Pont earlier this year

also a Los Angeles-based savings lower unit sales a and loan group, is completed it increases in costs.

foreign

in the company's history.

Metals

last vear.

against \$1.96bn for the same quarter last year.

For the first six months of the year sales were \$4.17bn, against \$3.76bn for the first Kirby, the chairman, said yes-terday that because of the softening of demand in certain product lines, "we cannot necessarily expect the same high levels of earnings in the second half of this year."

While the company's defence and nuclear power equipment

quarters so far this year "as it is more vulnerable to the cur-rent downtourn in the U.S."

Westinghouse Electric is meanwhile pursuing its multimillion dollar suits against 29 U.S. and foreign uranium producers charging that they con-spired to fix prices and divide up the international uranium market. Although the case,

Sales for the second quarter sectors recorded solid increases her next year, is costing the this year totalled \$2.13bn during the second quarter in company thousands of dollars in both sales and earnings, its in- legal fees, analysts do not expect dustrial products sector had the costs to interfere with the recorded lower income in both company's continued improvement in profits and sales. The company has reached

agreement, however, on 16 out of 17 uranium supply suits that had been taken out against it 1975 when the company ruptly cancelled several abruptly inghouse is attempting to nego tiate a settlement with the last of the plaintiffs, Long Island scheduled to be heard in Septem- Lighting Company.

CPC on target for year-end

adversely

results.

the world's largest corn refining group, well in line with foresecond largest aluminium pro-ducer in the U.S., reported a slight drop in earnings yester-Street analysts. At the half-year stage earnings are now 14 per day, blaming it on the closedown of some unprofitable operations. cent up at \$83.3m or \$3.49, with sales 10 per cent higher at \$1.99bn. For the full year Net income in the second with sales 10 per cent higher at quarter was \$53.1m. or \$3.02 a share, down from \$59.4m analysts have predicted a rise or \$3.12 in the same period in earnings from last year's \$7.51 to around the \$8.25 mark. The company said that results

included a charge equivalent to 19 cents a share resulting from the closure of unprofitable distribution and retail units \$1.04bn. operated by its architectural. The c

The company said that the of profit from the sale of its crease significantly.

quarter ings in the second quarter has reflected gains in branded put CPC International, the grocery products in all four of its geographical divisions.

Worldwide earnings of corn wet milling operations improved but low margins on this have been traditionally recesbusiness in Europe continued to sion proof and are expected to affect

> Sales increased in all four of its geographical divisions in the second quarter—some 68 per cent of earnings came from out-

earnings branded grocery product lines which in the U.S. include such names as Skippy peanut butter, Mazola corn oil, Hellmann's mayonaise and Golden Griddle syrup. These product lines operating record further gains this year. Corn wet milling (30 per cent

of profits) is also viewed optimistically, particularly in North America where higher The second quarter brought side the US—and about equally sweetener prices are helpful. earnings of \$49.8m or \$2.09 in its two major business lines against \$41.4m or \$1.74 a share. —branded grocery products and corn wet milling. —branded grocery profits in Asia and Latin profits in Asia and Latin CPC earns around 70 per cent America are expected to in-

Growth continues at E.F. Hutton

BY OUR FINANCIAL STAFF

ago. Mr. David Reynolds, chairman, predicted that shipments in the EARNINGS at E. F. Hutton, the all played their part in the second half of this year would Wall Street investment banker company's gathering momen-be down, and that cost pressures and brokerage house, have continued to climb sharply during Aluminium companies have the second quarter of this year. hegun to feel some of the Hutton reports that all sec-draught of the recession, and a tions have maintained a high number. including Reynolds, rate of growth. For the first recently rolled back price six months of 1980 net earnings have risen from \$14.7m to Mr. Reynolds added, how \$41.3m, after an advance to ever, that in view of the group's | \$21.3m from \$9.7m in the second

chief executive, said yesterday. Results from retail and institutional sales forces "continued to be excellent."

Hutton is one of the largest publicly owned firms operating on Wall Street. Its brokerage operations dominate the trading base but the company also sells record performance for the first six months, he still expected 1980 to be one of the best years record modity and investment banking a specialised investment bank-

ing licence by the Bahrain Monetary Authority.
Revenues for the half year were \$552.3m compared with \$318.6m, and at the per share level earnings have moved up to \$4.91 from \$1.77. Per share earnings do not take into

account a proposed five-for-four

stock split, the company ex-

plained. Having recovered sharply in 1978, earnings per share advanced to a record \$4.54 in

Control Data shows modest rise

BY OUR FINANCIAL STAFF

SECOND-QUARTER net profits Data's profits were up 18.5 per significant earnings gains desat Control Data, the computer cent from \$62.6m to \$74.2m, or sales to the container and services systems and peripheral packaging areas will offset the equipment group, advanced expected downturn in ear from \$37.6m to \$39m after a nary gain of 13 cents (16 cents).

Revenues totalled \$1.83bn overall domand for a nary gain of 13 cents (16 cents). overall demand for aluminium its tinance and insurance subsimay flatten, higher prices are diary, Commercial Credit,

likely to protect group earnings. Earnings from the group's In the longer term. Reynolds computer operations were shead for further only \$100,000 to \$23.8m while penetration of the car market. Commercial Credit's results has aluminium producing came out at \$15.2m. Overall capacity of about 1.2m. and earnings per share for the bauxite reserves in Jamaica. quarter were \$2.25 against \$2.18 and included a one cent a share (12 cents previously) extraordinary credit. Sales for the quarter were \$943m compared with S771m.

BY OUR FINANCIAL STAFF

profits in the second quarter-

Mr. Richard Heckert, a senior

that profits would be down from

recorded in the June quarter of

last year. Sales for the period

would show an advance from the

\$3.24bn total for the 1979 period

but would mostly reflect

volumes had been well down.

lower unit sales and continued

Du Pont forecasts dip in

second quarter earnings

E.I. DU PONT de Nemours, the largest U.S., chemicals group, which had spread from the expects a significant fall in motor and housing industries,

Heckert said.

from \$3.63 a share to \$4.28 a against \$1,49bp.

The company said the small gain in earnings reflected the record level of profits in 1979 current year Control Data tions were bearing additional expenditures related to new products and services. Sales of computer peripheral equipment to other industry suppliers continued to be strong in the for computer equipment this quarter and rental services year. The company expected revenues increased by 16 per cent

After six months Control the outlook remains good for seen.

pite the economic uncertainty in the U.S., the company said. Last year net income nary gain of 13 cents (16 cents). 28.6 per cent ahead at \$119m, Revenues totalled \$1.83bn or, \$6.85 a share, on revenues ahead by 21.8 per cent to \$2.25bn.

For the first quarter of the in profits It had earlier said that its order books stood at record levels at the end of 1979 and that forecasts suggested strong demand another good year although a ent. slower rate of growth than had. Also For the remainder of the year been achieved in 1979 was fore-

GULF AND WESTERN, the film would also affect results in the and industrial conglomerate. because of the spread of the second half of the year. Mean and specialty paper group James recession in the U.S. second half of the year. Mean and specialty paper group James while, markets outside the U.S. River have revised upwards the were now showing signs of offer price in their two stage vice-president said in Frankfurt weakening after having shown bid for Brown Company, the that profits would be down from relatively high levels of demand pulp and paper and building

> Under the proposal share-Although he gave no specific holders of Brown—other than Net figures. Mr. Heckert noted that Gulf and Western, which owns Wall Street estimates put its 78 per cent of the shares—will 1980 profit total at \$5.50 a share share in additional \$1.77 a share the \$6.49 per cent of the shares—will receive an additional \$1.77 a

> This lifts the value of the Net Mr. Heckert was confident for cash and shares offer by James River to \$35.83 a share, taking

James River and Gulf revise terms

By Our Financial Staff

in the second quarter, Mr. products concern.

1980 profit total at \$5.50 a share share in cash for each of the against the \$6.42 achieved in 2.7m shares not held by Gulf.

the long-term, expecting both the overall value placed on would create one of the largest | Du Pont earner uns year | U.S. savings and loan groups reported a dip in first quarter with assets of \$12bn with Financial Federation contributing \$1.66 a share on sales up from \$1.70 a share to \$1.66 a share on sales up from \$1.66 a share on sales up from \$2.4bn.

Downturn in housing hits Crown Zellerbach

SAN FRANCISCO — Crown The 1980 second quarter would hit hardest during the second energy costs. Zellerbach, the forest products group, expects to report sharp sale of the interest in Elk River The deeper-than-anticipated feel a decided declines in earnings for the Timber and a writedown of second quarter and first half, \$33.9m from its ownership in said Mr. C. R. Dahl, chairman Van Gelder Paper, a Dutch and chief executive. He blamed the "disaster area" of the U.S. housing market for the trading share.

began to feel the recession in the middle of the second quarter and it was now suffering the full effects and saw no signs of appreciable change for the next

He forecast that Crown would report second quarter net income of about \$28m or \$1 a share, down 38 per cent from the 1979 second quarter net profit of \$45m, or \$1.77 a share.

etback.

He commented that the group
began to feel the recession in
the middle of the second quarter
be middle of the second quarter. 1979 quarter.

For the six months, net earnings were about \$52m, or \$1.93 a two quarters in terms of business conditions.

He forecast that Crown would report second quarter net income of about \$28m or \$1 a share, on sales of \$6.5m or \$2.61 a share, on sales of \$1.34bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of about \$1.40bn or \$2.61 a share, on sales of \$1.34bn or \$1.85bn or

plunge in housing starts had been aggravated by credit restrictions and by the steep and rapid increase in interest rates earlier this year, said Mr. Dahl, adding that a substantial backlog of unsold housing still remained. He expected little

Despite the current difficulties

rebound in the market before early 1981. Although export sales of logs had held up reasonably well, the housing downturn had hurt pulp and paper lines, because normal scraps from housing

feel a decided drop-off in orders for containers during the latter half of the second quarter, as other companies adjusted for half of the second quarter, as the recession. The packaging group was

experiencing some profit squeezes because of cost increases.

The distribution business performed very well for most of the first half and should compare reasonably well with Net last year, although it would not show an increase on the scale shown in past periods. Capital spending for 1980

remained projected at about \$250m compared with 1979's

Strong

half-year for Irving Trust

By David Lascelles in New York MORE U.S. banks announced sharp earnings gains yesterday, due to the favourable operating climate of the

second quarter.
Irving Trust, the large New York bank, said net income for that period, before securi-ties transactions, was \$23.3m, equal to \$2.65 a share, compared with last year's corresponding \$16.1m or \$1.83 a share. Half-year profits were \$44.2m or \$5.02 a share. up from \$31.8m or \$3.61 a share in the first six months of 1979. The bank said this improve-

ment was due primarily to high interest and other operating income, mainly from foreign exchange deal-ings and foreign acceptance and letter of credit transac-tions. But this gain was off-set by a higher provision for loan losses, up from \$7.4m to the second quarter last year to \$15.2m this year.
The bank warned: " As the

decilne in interest rates and slowing of the economy pro-ceed, the record-high earnings of the second quarter may not be indicative of the subsequent results

quarters." • The Bank of New York reported a 35 per cent gain in earnings for the first quarter. Income was \$14.6m or \$2.26 a share up from \$10.8m or \$1.77 a share. For the six months. Income was \$27.6m or \$4.28 a share, against \$21.6m or \$3.56 a share for the same period last

Elliott chairman, attributed the rise to higher net interest income and higher trust department revenues. Loan loss provi-sion in the first half rose from \$7.9m to \$8.2m.

Commonwealth Oil expects half-year loss

By Our Financial Staff

COMMONWEALTH Oil Refining (Corco) -which was acquired last year by Charter, the oil refining group, expects to report a loss for the six months ended June 30. Charter has already warned of a possible loss for the second quarter.

company profits of \$3.4m for the five months to May.

Corco said the loss will be accounted for substantially by entitlement obligations retroactively incurred on Alaskan North Slope crude purchases. These costs are estimated at \$12.5m, said Coreo,

The company is seeking relief from a Department of Energy ruling that North Slope crude purchased since May will incur entitlement obligations.

			IBN
U.S. QUART	ERL	IE\$	ICI Mc
AKZONA			Nov
Revenue	244.4m	237.6m	Pen
Net profits	1.45m		Que
Net per share	0.12		Roy
Six months Revenue	E27 C.	497.7m	Sw
Net profits	6.75m		Sw
Net per shere	0.55	1.17	UB
BANDAG			Wo.
	1980	1979	DEL
Second quarter		S	STR
Net profits	76.2m 5.75m	71.5m 6.07m	Akz
Net Der share	0.48	0.48	BFC
SIX months			BFC
Revenue	154 Sm	136 3m	Bra:
Net profits Net per share	11.48m 0.95	11 (1m 0 87	Cau
			l Den
BAXTER TRAVENOL			EEC.
			I Fint
Second quarter	1980 S	1979 S	Kob
Revenue	337.7m	296.5m	Kob Mt.
Not profite	33.15m	296.5m 29.32m	I Man
Net Der share	0.96	0 85	OKE
Revenue	650.8m	571 4m	OKB
Net profits	63.59m	54,92m	Oslo
Net per share	1.85	1.62	Wo
CROUSE-HINDS	-		Wor
			Wor
Casand suredu-	1980	1979	ļ
Second quarter Revenue	5 103 4m	\$ 93.7m	SWI
Net profits	8.68m	6.9m	STR
Net per share	0.69	0.57	Arec
Revenue	205.8m	183.9m	Berg Berg
Net profits	15.Bm	12 8m	í BND
Net per share	1.27	1.06	BMV Buh
FIRST CITY BANKCORF			Cais
Consend accorded	1980	1979	Deni
Second quarter Net profits	\$ 21 m	\$ 16.9m	EIB .
Net per share	1.61	1.32	EIB Elet.
Six months Net profits	41 5m	33.1m	F. G
Net per share	3.19	2.61	GZ8 Hıhi
LENOX INCORPORATED			int.
	1980	1979	Jutia Mala
Second quarter	\$	ŝ	New
Revenue	54.6m 3.73m	49m . 3.3m	Nipp
Not per share	0.85	9.75	Nore
SIX MORIUS	106.7m	93.5m	OKB
Ne: profits	5 48m		Osto
Net per share	1.25	1.09	Seki
PACIFIC LIGHTING			Shike
. – – . – . – . – . – . – . – . – . – .	1980	1979	Worl
Second quarter	S	5	
Revenue	725.6m 21.38m	\$ 469.5m 20.25m	
Net profits	0.86	0.84	YEN
Six months		J 1	
Net profits	1.63bn 42 fm	1.01bn	EIB
Net per share	1.72	2.04	Finla
Six months Revenue Net profits Net per share	1.63bn 42.6m	1.01bn 48.2m	Aust Aust EIB Finla Finla

TEXAS COMMERCE BANCSHARES

INTERNATIONAL BONDS

Barclays plans \$200m floating rate note

such issue ever floated by a ing group. The notes will carry interest issue are essentially European, at 1 per cent above the six- with the London merchant

The issue is being under-taken by Barclays Overseas Investment Company with a The weakness of the dollar par through Swis Bank Corporations on foreign exchange markets.

The weakness of the dollar par through Swis Bank Corporations on foreign exchange markets.

Sampler cent and issue price of par through Swis Bank Corporation. Eisewhere, Chile is coupled with weak sentiment on the New York bond market will run the books for the issue, deterred buyers. Short-term management of Dresdner Bank. guarantee from Barclays Bank issues.

note in the Eurobond market. Barclays Bank International It is believed to be the largest and there is also a limited self-

The banks underwriting the at ‡ per cent above the sixmonth Libor with a minimum coupon of 5 per cent. They will be convertible at the holder's option into fixed rate 9½ per centagy, but straight dollar bends due 1995 at any time transport the straight dollar an average § points as the by an average a points as the market continued to suffer from lack of investor interest following the recent spate of new

BARCLAYS BANK Inter-which has an average life of 13 Eurodollar rates also edged national is to raise \$200m years. The notes are pre-under-slightly higher. through a 15-year floating rate written by 18 banks including In both the Swiss and German markets dealers reported quiet trading, with prices hardly changed.

In the Euroguilder sector, the National Investment Bank of the Netherlands is to raise up to Fi 75m through a seven-year issue lead-managed by Algemene Bank Nederland. The private placement carries a coupon of 10 per cent and is priced at par. In the Swiss sector, Philips NV is floating a SwFr 100m 12-year bond issue with a coupon of 54 per cent and issue price of

\$100m Philippines Eurocredit

BY PETER MONTAGNON

THE Central Bank of the Philippines has awarded a mandate to five international banks to raise a \$100m, eight-year Bank of Tokyo, Chemical Bank, Eurocredit with a spread of and Marine Midland.

Corporation, Bank of Montreal,

I per cent throughout.

The credit carries a commitment fee of a 1 per cent and a drawdown availability of three years.

The credit is the first borrowing by the Philippines in the Eurocredit market for some months. In March, Mr. Cesar Virata. the Finance Minister,

The banks which received the said in London that the Philipmandate are: Arab Banking pines would hold back from the markets because of the high interest rates then prevailing. a \$200m credit at the start of the year. That credit also had a i per cent spread, but the maturity was longer at ten

Dutch issue by Danish bank

MORTGAGE and Financial Administration on July 22. Agency of Denmark plans a It was also announced in Finally, Lease Plan Holding FI 100m bond issue on the Dutch domestic capital market. The 10-year bonds will carry 2

Bank Denmark and subscriptions close to a maximum FL 250m from an initial FL 200m.

The 10-year bonds will carry a coupon of 10.5 per cent and be priced on Friday. The issue is guaranteed by the Kingdom of 10.5 per cent, could be raised the amount of its 10 to raise Fl. 25m over 25 years on a coupon of 10.75 per cent. Subscriptions will take place on July 22.

Agencies.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published

	_				
U.S. DOLLAR		Change on	i	GMAC 12 85 CS	1
	issued	Bid Offer day week Yield	•	R. Bk. Canada 10 86 C\$	- 2
Alcoa of Australia 10 89	60	927 931 -04 -04 11.25	- 1	Tordom Cpn. 1312 85 CS	3
Brit. Oxygen F. 103, 90	50	94 941 -04 -1 11.76	- 1	M. Bk. Dnmk. 9 91 EUA	•
CECA Grad. Rate 12 86	100	984 987 - 04 - 01 11.53	- 1	SOFTE 84 89 EUA	- 2
CECA 115 90	50	9812 9912 - 012 - 1 11.78	1	U. Bk, Nrwy. 93 90 EUA	•
CECA 112 88	100	1001 1001 - 01 0 11.38	1	Algemene Bk. 84 84 Ft	-
Citicorp O/S Fin. 10 86	300	953 964 -05 -07 10.94	-1	Algemens Bk. 10% 87 FI	40
Con. Illinois O/S 91 86	150	941, 55 -07, -11, 10,99	- 1	Ned- Gasunie 84 84 FI	- 1
Denmark 11% 30	100	95' 99' -0' -0' 11.80	ł	Ned. Middbe. 84 84 Ft	7
Doms Petroleum 132, 92	60	1024 1027 -14 -14 13.03	- 1	Norway 84 84 Ft	70
EEC 11 95	75	951, 96 -01, -07, 11.60	Ì	Philips Lamps 84 84 Fl	٠, ١
EIB 113, 92	83	97% 97% -15 -1% 12.12	1:	Air France 11 84 FFr	12
EIB 13% 90	100	1064 1064 -01 -04 12.54	1	CECA 141 88 FFr	1
Eksportinans 114 87	50 .	99% 100% -0% -0% 17.22	- (Euratom 94 87 FFr	ij
Eksportfinans 912 87	75	927 934 -14 -14 10.96	- 1	Finland 17 84 FFr	";
Elec. de France 10 88	125	961 963 -01 -03 10.67	:	Finland 11- 89 FFr	
Export Dv. Con. 94 84	150	96% 97% -0% -0% 10.71	ŀ	Gaz de France 11 84 FFr	15
Export Dv. Con. 12% 87	100	1061, 1067, -01, -07, 11.29	1	IBM France 112 84 FFr	ij
Export Dev. Cpn. 91, 86	150	961 961 -014 -01 10:34	1	Renault 93, 85 FFr	10
Federal Dev. Bk. 124 85	75	1024 1034 -14 -15 11.42		Saint-Gobern 94 85 FFr	13
Fin. Exp. Credit 1012 85	- 50	975 98 -1 -15 11.11	i	Solvay et Cie 9% 87 FFr	12
Finland, Rep. of 912 86	100	923 931 -02 -07 11.24	1	Beneticial Fin. 14% 90 £	7
Ford O/S Fin. 12% 85	250	994 100% -07 -0% 12.63	[Citicorp 0/S 131 90 E	5
George Weston 131, 87	30	102 102 -01 -01 12.97		EB 112 91 £	ž
GMAC 0/S Fin. 11 84	100	99 991, -04, -05, 11.18	-i-	Fin. tor Ind. 124 89 E	3
GMAC 0/S Fin. 131 85	100	1054 1054 -04 -04 11.79	ŀ.,	Fin. for Ind. 142 88 £	2
Goodyear O/S 124 87	75	981, 991, -01, -01, 12.71	1	Gen. Elec. Co. 12 89 E	5
Hudson's Bay 112, 90	75	981 981 -05 -05 11.76	Ţ	Swed, Ex. Cr. 154 85 E	Ž
IBM Canada 107 85	50	391, 991, -01, -1 10.63	• •	Benobras 84 90 KD	
ICI Fin. Ned, 11 83	100	100% 100% -0% -0% 10.76	. .	CCCE 83 91 KD	1
McGraw 131, 85	75	1024 1024 -04 -04 12.77	i	Mitaubishi 712 84 KD	i
Norwest Ind. 135 87	50	701 1012 -04 -03 13.30	1	Sonatrach 812 90 KD	1
Nova Scotia 102 90	60	95% 95% 11.55	1 -	Akzo 91 87 LuxFr	50
Pembroke Capital 9% 87	100	945 95 -05 -05 10.73	-	Euratom 8 87 LuxFr	50
Pemex 1112 88	100	977, 983, -03, -03, 11.87	-	Euratom 94 88 LuxFr	50
Quebec, Hydro 111, 92	100	974 984 -04 +04 11.83	1	EIB 93 88 LuxFr	60
Roylease Ltd. 114 85	50	100% 100% -0% -0% 11.10	ŀ	Volvo 91 87 LuxFr	50
SNCF 125 85		1043 104% -03 -03 11.06	1	Adies of St. Edvi	-
Swed. Ex. Cred. 1212 85		702% 103% -0% -0% 11.62	1	FLOATING RATE	
Sweden 93 84	700	964 974 -04 -04 10.68	İ	NOTES Sp	
UB Finance 8V 11 90	50	931, 937, — — 12.13	!	Allied Irish Bk. 5% 87	

Change on

Ind Bid Offer day week Yield

5 102½ 103 -0½ +0½ 5.57

30 102½ 1033 +0½ +0½ 5.57

30 99 99½ -0½ -0½ 7.88

30 99 99½ -0½ -0½ 7.88

30 99 99½ -0½ -0½ 8.16

50 92½ 93½ -1½ -1¼ 9.45

100 93½ 99½ 0 0 0 8.34

225 98½ 99 -0½ +0½ 7.82

100 98½ 99 0 0 8.34

225 98½ 99 -0½ +1½ 7.92

150 98½ 99 0 0 8.14

150 99½ 100½ 0 +0½ 7.84

100 100½ 101 +0½ +0½ 7.91

150 99½ 100½ 0 +0½ 7.82

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250 99½ 100½ 0 +0½ 8.38

250 99½ 100½ 0 +0½ 7.52

250 100½ 103 +0½ +0½ 8.3

250 99½ 100½ 0 +0½ 90½ 8.3

250 105½ 105½ 105½ +0½ +1½ 8.6

250 98½ 100½ 0 +0½ 7.½ 7.½

250 111½ 111½ -0½ 0 8.2

Change on

Chare day week Y FRANC

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Change on

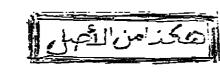
Side Offer day week Yield

Side Offer OTHER STRAIGHTS | satural Bell Canada 10½ 86 CS 50 CIBC 13½ 85 CS 50 CIBC 11½ 85 CS 60 Federal Dev. 11½ 90 CS 60 Fst. Can. Inv. 10 84 CS 50

	and the second second	C.	озте	pri			.,
	GMAC 12 85 CS	50	1981	991,	0	-0%	12.2
	R. Bk. Canada 10 86 CS	40		95%			11.2
	Tordom Cpn. 132 85 CS	30	1037	104%	+04		
	M. Bk. Dnmk. 9 91 EUA	25		9512			
	SOFTE 84 89 EUA	40	87	221	+0%	+03	10.4
	U. Bk. Nrwy. 93 90 EUA	18	98			-0 ²	
	Algemens Bk. 84 84 Ft	75		96%			
	Algemens Bk. 104 87 FI	400	200	100%	ŏ	+ď.	
	Ned. Gasunie 84 84 FI	50		1004		÷ř.	
	Ned. Middbe. 84 84 Fi	75		97	+61-	+01-	
		100		57%	.0.	ŏ	91
	Norway 81, 84 Ft		963	97			
	Philips Lamps 84 84 Fl	75		96%			
•	Air France 11 84 FFr	120				+0-	
	CECA 144 88 FFr	150	1054	100,8			
	Euratom 9% 87 FFr	150	1097	86,7	ň	TOTA	12.3
	Finland 11 84 FFr	80	-944	22.5	ŭ	T 174	12.0
	Finland 11½ 89 Ffr	70	-32%	95 ³ 2 64 95 ³ 2	Ų	+0.	14.1
	Gaz de France 11 84 FFr	150	1941;	25.5	ō	+04	12.5
	IBM France 112 84 FFr	120	*974	984	0	-05	12.5
	Renault 91, 85 FFr	100	1861 ₂	8712	-03	-04	13.5
	Saint-Gobern 🗣 85 FFr	130	86	87	+0,	+0.	13.1
	Salvay et Cie 9% 87 FFr	125		857 ₈			
	Beneticial Fin. 14% 90 £	20	1013	1015	+0-	+0~	13.9
	Citicorp 0/S 131 90 £	50	90%	100%	+02	+0-	13.4
	EB 112 91 £	25	93		-02		
	Fin. tor Ind. 124 89 E	30	96%	975	+02	+0%	13:1
	Fin. for Ind. 142 88 £	20	102%	10372	+0,*	-05	13,7
	Gen. Flec. Co. 125 89 E	50		981,			
	Swad, Ex. Cr. 15 85 £	20	1041	1051	+0%	+ው.	13.7
•	Benobras 84 90 KD	7	1947 1927	95'	_	_	. 9.0
	CCCE 81 91 KD	10	1927	93 -	_	_	9.1
	Mitaubishi 712 84 KD	10	1945	947	+2	+2	9.1
	Sonatrach 812 90 KD	12	194%	944	_	_	9.3
-	Akzo 91 87 LuxFr	500	947	95%	-62 ₂	+04	10.1
	Euratom 8 87 LuxFr	500	89 .	90%	0 -	+04	10.0
	Euratom 94 88 LuxFr	500	981	9914	0	+0%	9,5
	EIB 93 88 LuxFr	600	977	987	+04	+0%	10.0
	Volvo 9% 87 LuxFr	500	961	974	-0-	-0,°	10.3
	Adies 24 of payer				_ •	_	
	FLOATING RATE						
							A

Uny Co. 64, 85 DM11/79 1071 974 981, +04, 25,83 and the control of the con

© The Financial Times Ltd., 1980. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by Inter-Bond Services (a subsidiary of dateSTREAM International).



WEST GERMAN : coner manufacturing subsidiary the troubled Danish ship d. Burmaister and Wain, has ned insolvency proceedings. isportsysteme, is the second lest container factory in many employing about 500 ple and able to produce 500 containers a year its 8 furniover was DKr 176m 25m), according to B and 1978 annual report (the 8 report has not yet been aliabed)

the Industry feanwhile, Sanwine, the massi-sary in Copenhagen is con-aring a new application from ad W for a DKr 225m export dit guarantee to cover con-ction of five \$0,000 dwi k carriers at the Copenhagen ovard. Details of the group's st application were leaked trade unions.

he group plans to set up-a / company to run the ship-d, with share capital of t r com and total equity capital DKr 112m. The company's posed supervisory board will include Mr. Jan Bonde Isen. B and Ws managing actor and chief shareholder, lough he is being asked to k the guarantee with his sonal assets, according to the

and W's drawn-out battle obtain an export credif rantee is partly a con-uence of the risks involved the shipbuilding industry, political unwillingness to vide a guarantee to a comy run by the controversial
Bonde Nielsen has also yed a role. The latest plan
lelieved to have been worked in close co-operation with

i are anxious to preserve the lo fobs at present provided the shipyard. he financial implications for ind W of the demise of ITG not known, but as the comof Share capital has bably already been written the effect on the Danish up may be minimal.

le union representatives.

turnover lipping at **Audi NSU**

y Our Financial Staff

DI NSU, a subsidiary of kswagen, expects turnover be marginally down this

iaging board chairman, told reholders that production the first five months of 1980 179.000 vehicles, slightly worsened." cars had

is for actual sales, Audi's nover was 4.5 per cent lower. the first six months. It took to per cent share of the nestic market during the

lespite the present market ration, Audi will invest ind DM 1.5bn (\$860m) in next two years, mostly in Tripolstadt and Neckarsulm tories, shareholders were

Daimier-Benz production flities will operate at full acity through 1980 and bably through 1981. Herr thard Prinz, the Board chaira said The 1980 performe was expected despite the as a whole in West

ench gas cuts loss The French state gas utility. de France (GDF), had an irating loss of EFF 276.5m 8.4m) in 1979, down from a of FFF 379.5m in 1978. DJ reports from Paris. The cit was more than wiped out GDF's profit and loss account lowing the write-back of part the special provision created a result of the revaluation of depreciation of fixed assets. is enabled GDF to post a leral profit of FFr 4.7m apared with a loss of r 131.3m in 1978.

Banco de Chile

Negotiable Floating Rate Non-London Certificates of Deposit due 1983

16th July, 1980 to 16th January, 1981

In accordance with the provisions of the

Certificates, notice is hereby given that the rate

of interest has been fixed at 101 per cent per

annum, and that the interest payable on the rele-

vant interest payment date, 16th January, 1981

against each Certificate will be US \$26,194.44.

Bank of America International Limited

US \$20,000,000

For the six months

Bosch to appeal against FTC anti-trust ruling

ROBERT BOSCH, the West German electrical and electronic components group said rester-day that it expected to launch an appeal within the next seven days against the U.S. Federal Trade Commission's ruling last week, ordering it to end its three-year director-sharing agreement with the Borg-

Warner group.
The FTC announced last week.
following an investigation lasting more than 18 months directors on the Borg-Warner board was a violation of U.S.

The decision underlined once of the important problems fac-ing fereign investors in the U.S., and clearly calls into question the future relationship of the two companies, both of which have major interests in the manufacture of automotive components.

Bosch and Borg-Warner are Board member, Dr. Hans expected to appeal against the Bacher. FTC ruling on the ground that

they are not in competition with each other. Bosch's major auto-motive strength is in the manufacture of electrical and electropic components, while Borg-Warner has traditionally concentrated on making mechanical automotive components.

Bosch, which is still privately owned, bought just under 10 per cent of the Borg-Warner group at the end of 1976 for \$62.9m. The move was seen primarily as a financial investment, but the company admitted at the time that there was also an important element of industrial strategy in the acquisition

Since April, 1977, Bosch has held two seats on the Borg-Warner Board, which have been filled by the Stuttgart group's chief executive, Herr Hans Merkle, and his fellow Bosch

The Bosch and Borg-Warner appeal must be launched within ten days of the FTC decision. which was announced last Thursday. U.S. anti-trust law forbids competing companies with assets of more than \$1m from sharing directors.

Bosch already has an annual

turnover in the U.S. of more than \$300m, and it is aiming to increase this to around \$500m by the mid-1980s. Among other U.S. interests, it also holds a 25 per cent share in American Micro Systems and earlier this month it announced the takeover of the Stapley Power Tools division of the Stanley Works.

diversification, more than 60 per cent of the Bosch group's turn-over is still derived from sales of electrical and electronic

Shell sees chemicals setback

BY CHARLES BATCHELOR IN AMSTERDAM

expects a considerable loss on prices its chemical operations in the Netherlands in 1980 as a whole, despite a small profit in the first

Prices and sales volume held at reasonable levels in the first three months, but the market worsened considerably in April, partly because of the poor world economic outlook the company told a works council meeting. The setback followed a "satisfactory" 1979, when production levels were higher than in 1978.

Shell Nederland Chemie used 90 per cent of its ethylene production capacity in 1979 compared with 74 per cent in the previous year. Sales of products made in the Netherlands rose 8 per cent by volume and 43 per cent in cash terms. The sharp rise in sales by value was

ing profit last year following announced in the next few two years of large losses, months, despite the starting-up losses of The orders booked include

Royal Dutch Shell's refining activities in the Netherlands also made an operating profit last year, despite the sharp decline in margins in the final quarter. The company said that continued profits were needed to fund its ambitious investnt programme.

 Prospects have improved for IHC HOLLAND, the specialist Dutch shipbuilding group, fol-lowing a sudden influx of new orders. Mr. T. P. de Joode, the chairman, said that the com-pany, which had been suffering heavy losses, was now on the road to recovery.

New orders worth FL 140m restructuring was (\$74m) have been booked in through has put

DUTCH SHELL raw materials costs by raising yards well into next year. IHC considerable loss on prices. said that it had "good hope" all operations in the The company made an operations in the

The orders booked include contracts for dredgers from a Belgian-Mexican consortium for customer in the Far East. Dredging orders have also been received from Poland and the U.S., while other orders have been won by the company's non-dredging divisions.

Reorganisation of the IHC roup in 1978 produced a central holding company, since renamed Caland Holdings, with per cent of IHC Holland and 40 per cent of IHC Inc., a com-pany set up to manage the group's foreign activities.

A further decline of dredging market since the the result of the company more the past six weeks, guaranteeing pressure on IHC Holland over than compensating for higher employment at the company's the past year or so.

Quelle group increases sales

BY OUR FRANKFURT CORRESPONDENT

SCHICKEDANZ group, which year to DM 10bn compared with includes Quelle, West Europe's DM 9.3bn. largest mail order organisation, has enjoyed faster than ex-pected growth this year, despite the generally sluggish perform-ance of the retail trade in the

ge cars had "worsened," a large number of 1886 per lets, raised its sales by 8.6 per lets, raised its sales by 8.6 per lets. Important export cent in the first half of 1980, business boosted its thrnover by

12.6 per cent to DM 1.7bn.

DM 9.3bn. Schickedanz group, the indus-it expects to gain further trial holdings, had a mixed year sales momentum in the second in 1979. The Vereinigte Papier-

half of the year with the circula-tion of its autumn catalogue, paper raw materials and house-which will again have a print hold paper products such as number of more than 8m copies. tissues, increased turnover to Federal Republic.

number of more than 8m copies. tissues, increased turnover to Overall the Schickedam tradPrice rises for items in the DM 856.9m from DM 758.7m ing sector, which accounts for autumn catalogue have been but saw after-tax profits halved in on the year-ago period. some 86 per cent of group turn- kept to an average of 3 per cent. to DM 10m. added that Audi expected over increased sales by 8.7 per but the company is finding it. The group's brewery interests over increased sales by 8.7 per but the company is finding it. The group's brewery interests cent in the first six months of increasingly difficult to step up represented by Patrizier-Brau the year to DM 3.9bn (\$2.2bn), its imports of low-price goods improved their after-tax profits lemand for upper middle. Quelle itself, which includes from overseas because of grow despite the fact that there was a large number of retail out ing import restrictions, particularly from the EEC. .
Schickedanz does not provide

tkets were being similarly but taken alone the mail order any consolidated profit and loss account, but the trading division reported an increase in afterver was 4.5 per cent lower is still family-owned is aiming cent to DM 131m. on a turnover per cent share of the

The other major part of the

The group's brewery interests a marginal drop in turnover to DM 155.7m.

Mail order Republic are continuing to show a much stronger sales trend than large department stores, which have been steadily losing market share over the past decade.

Swiss offshoot to handle Rhone nylon operations

BY RHYS DAVID

future by Viscosuisse, the com-pany's semi-independent Swiss subsidiary, under new re-structuring plans due to be implemented soon.

The Swiss company, which maintains its own brand names and marketing organisation, will bring into full production later this year a new plant at its its mmenbrucke headquarters capable of producing either polyester or nylon yarns. Meanwhile, after the summer holidays, Rhone-Poulenc will close several older plants in the Lyon

Ponlenc, which like most other nylon such as typewriter and European producers, has been computer ribbons

PRODUCTION of nylon and recording huge fibre losses. The polyester industrial yarn within company is concentrating its the Rhone-Poulenc group of nylon filament activity at a france is to be handled in factory in Arras in northern France, which has also been re-equipped with Scragg texturising machines from the UK.

Polyester filament will be centred on Valence, together with nylon carpet staple, and polyester staple and tow production will be concentrated near St. Quentin.

industrial yarns which are used in tyres, conveyor belts, ropes, webbings, coated fabrics and several older plants in the Lyon area, where it at present produces industrial yarn.

The switch forms part of a ground in tyres and beltings—and in some specialty markets undertaken in 1977 by Rhone-for fine count polyester and specialty markets and specialty markets and in some specialty markets and in some specialty markets and in some specialty markets and are specialty markets and area.

First half gains at Sandoz By Our Financial Staff

SANDOZ, Switzerland's third largest producer of drugs and special chemicals, reports higher sales and satisfactory earnings

for the first half of 1980.

Sales for the period rose 9.9
per cent to SwFr 2.5bn
(\$1.55bn), while sales in local clurrencies rose 15.6 per cent Earnings so far this year had been "satisfactory" although "selling prices could not be adequately adjusted to offset the rise in costs due to inflation."

Rhone-Poulenc has been a All sectors showed sales relatively small producer in increases with the dyestuff Europe of polyester and nylon division up 11.7 per cent. The most important division, pharmaceuticals, made further advances in almost all markets, up 7.5 per cent, while agro-chemicals saw a." highly satisfactory" growth rate of 25 per

Sales of seeds, however, were only marginally higher, while food sales showed a favourable 15.5 per cent rise.

U.S. \$25,000,000

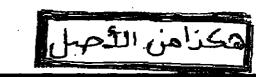
The Industrial Bank of Japan, Limited London



Floating Rate London-Dollar Negotiable Certificates of Deposit due 14th July, 1981

In accordance with the provisions of the Certificates, notice is hereby given that for the six month Interest Period from 14th July, 1980 to 14th January, 1981 the Certificates will carry an Interest Rate of 911% per annum. The relevant Interest Payment Date will be 14th January, 1981.

> Credit Suisse First Boston Limited Agent Bank



LONRHO International Finance N.V.

(Incorporated in the Netherlands Antilles with limited liability)

U.S. \$40,000,000 12 per cent. Bonds 1988

LONRHO LIMITED

ISSUE PRICE 100 per cent.

Standard Chartered Merchant Bank Limited Banque Nationale de Paris Berliner Handels- und Frankfurter Bank Richard Daus & Co., Bankiers DG BANK Deutsche Genossenschaftsbank Swiss Bank Corporation (Overseas) Limited

Algemene Bank Nederland N.V. A. E. Ames & Co. Astaire & Co. Bache Halsey Stuart Shields Banca del Gottardo The Bank of Bermuda Bank für Gemeinwirtschaft Bank Gurzwiller, Kurz, Bungener (Overseas)

Bank of Helsinki Ltd. Bank Leu International Ltd. Banque Bruxelles Lambert S.A. Banque Française du Commerce Extérieur Banque Internationale à Luxembourg S.A. Bayerische Hypotheken- und Wechsel-Bank Baverische Landesbank Girozentrale Bergen Bank **Burns Fry Limited**

Carr Sebag & Co. Christiania Bank og Kreditkasse Crédit Industriel d'Alsace et de Lorraine S.A. Crédit Lyonnais Daiwa Europe N.V. Den norske Creditbank Deutsche Girozentrale

Genossenschaftliche Zentralbank AG Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

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Dean Witter Reynolds International

J. Vontobel & Co.

Wood Gundy Limited

This announcement appears as a matter of record only.

600,000 Shares

Compact Video **Systems**⁹

Common Stock

Lehman Brothers Kuhn Loeb

Bache Halsey Stuart Shields

The First Boston Corporation Bear, Stearns & Co.

Dillon, Read & Co. Inc. Donaldson, Lufkin & Jenrette

Blyth Eastman Paine Webber Drexel Burnham Lambert

Goldman, Sachs & Co.

E. F. Hutton & Company Inc.

Kidder, Peabody & Co.

Lazard Frères & Co.

Merrill Lynch White Weld Capital Markets Group

L. F. Rothschild, Unterberg, Towbin

Salomon Brothers

Wertheim & Co., Inc.

Shearson Loeb Rhoades Inc. Dean Witter Reynolds Inc.

Warburg Paribas Becker

Bateman Eichler, Hill Richards

Furman Selz Mager Dietz & Birney

Robertson, Colman, Stephens & Woodman

July 3, 1980

IMM Currency **Futures**

Foreign exchange futures markets on the International Monetary Market open 45 minutes earlier, effective Tuesday, July 15th.

Trading begins at 7:30 AM (Chicago time) in the following rotation: Swiss Francs, Mexican Pesos, Deutsche Marks, Canadian Dollars, British Pounds, Japanese Yen, French Francs, Dutch Guilders.

For further information, please contact the International Monetary Market: 444 West Jackson Boulevard, Chicago, Illinois 60606 (312-930-3048); 67 Wall Street, New York, New York 10005 (212-363-7000); 27 Throgmorton Street, London EC2, England (01-920-0722).



INTERNATIONAL MONETARY MARKET

Division of Chicago Mercantile Exchange®

Record Tel Aviv issue for Bank Hapoalim

Companies and Markets

HAPOALIM issue of shares and options to raise I£2.5bn (equivalent to \$50m), the largest issue ever placed on the Tel Aviv Stock Exchange.
The issue consists of some

434.82m ordinary registered shares of IE1 nominal value and shares of the nominal value and spaces 10). Of this 256.36m shares and 25.64m options are being offered to existing holders of shares, capital notes, and options, in the form of 2.56m units. Each unit consists of units. Each unit consists of 100 shares and 10 options priced at 1£430, on the basis of 1£3.90 per share and 1£4.00 per option. A further 178.46m shares and 17.84m options are to be offered to the public in similarly composed units but at a price of 12700 (126.60 per share and 124.00 per option). The remaining 55m options are to be offered to the bank's employees at a price of 1£2.70.

Sharp rise in earnings at FIBI

First International Bank of Israel, one of the country's medium-sized banks, which has been conducting an active promotion campaign, has reported net after-tax earnings of 1£352m (U.S.\$7m) in the first half of this year. The figure compares with earnings of only I£234m for the whole of 1979.

Net earnings for the first six months of this year, on a fulldiluted basis, came to I£0.81 per share of I£1 nominal, compare with 1£0.57 for the whole of 1979. The bank will pay a 10 per cent interim cash dividend and shareholders will be asked to approve a bonus share distribution at the rate of 66 per cent. as well as a motion to increase the bank's capital by If900m (U.S.\$18m).

Rembrandt ahead despite fall in associates' income

BY JIM JONES IN JOHANNESBURG

owned clothing manufacturer, owned; lt. Back reported an increased continents loss of R1.88m, against African R1.68m.

REMBRANDT GROUP, the cent-owned Volkskas banking to wrest a significant share of South African group with group increased taxed attribut. South African Breweries. The liquor, mining and banking, to March 31, from RR21.8m; prospect of further losses was raised it attributable net Federale Volksbeleggings, in widely believed to have been a income by 26.3 per cent to which Rembrandt has a stake of factor in prompting last year's R118.7m (\$155m) for the year undisclosed size, interest liquor industry rationalisation. to March 31 from R93.4m in earned R34.7m after tax in the Rembrandt has declared dividends of 30 cents, against 25.5 the same period of the previous same period, compared with dends of 30 cents, against 25.5 year.

The earnings downturn at the associated Rottmans International has retarded remarks associated Rottmans in which Rembrandt also has an compared with 95.1 cents. In unquantified interest, increased Johannesburg.

Rembrandt's consolidated consolidated taxed earnings to Group shares are currently while

wned clothing manufacturer, owned, loss-making interL. Back reported an increased continental Breweries to South
oss of Ri.88m, against African Breweries. Intercontinental had suffered significations per share of 110.3
On the other hand, the 20 per cant losses in its earlier attempt cents, against 70.2 cents.

dends of 30 cents, against 25.5 cents, from attributable earn-Group shares are currently quoted at 690 cents, while those of Rembrandt Controlling. Rembrandt's consolidated consolidated taxed earnings to growth. The Rembrandt group's R86.5m in the calendar year quoted at 690 cents, while net share of income retained by 1979, from R62.5m in 1978.

associated companies fell to The earnings growth was which has a 51 per cent holding which has a 51 per cent holding in Rembrandt Group's equity. November's sale of the wholly owned clothing manufacturer, owned, loss-making interported to the stands of 219 cents.

income -

LEGISLATION is expect gold market.

at for some thine, especia ket, on as little a marging 3 per cent. The idea of early tightening of the m being made was strengthe here yesterday by a speech Sir Philip Haddon-Cave, Financial Secretary.

Sir Philip told the Chin Gold and Silver Exchai Society: "The rapid escalat in the price of gold, gratify though this may be to hold speculators and dealers at speculators and ceasers at has led to the emergence fringe gold operators wh methods of dealing, or 1 ported dealing, clearly resent the sort of danger to H Kong's reputation as a financentre and to the invest public which the Governs cents per share for fiscal 1981.

Hong Kong

plans to

stop gold

hawkers

"Far too many of t fringe operators have ado business practices which in dublous and depend in par the employment of untra-but aggressive, sales teams vassing members of the pu to induce them to specula eold in such a way as to

their money."
Sir Philip said that the ex tive and legislative com would be asked to amend commodities trading ordin to ban the "hawking" of and to require the registr and regulation of all dealers other than member the Chinese Gold and S Exchange Society.

He said the measures "si remove a potential sourc damage to the financial retion of Hong Kong as we protect investors locally." Sir Philip added: "I am fident that these measures assist positively in the tinued development of bullion trading which is an integral part of the fina services sector of our dive

Cape Wine to exceed forecast

CAPE WINE and Distillers R13m estimate given in the able (CWD), the company formed prospectus published in March. dividends and forecast an in last November's reorganisain last November's reorganisation of the South African liquor market and which holds
Rembrandt's Oude Meester
liquor interests, and the
former wine and liquor
interests of South African
Recoveries has declared a pre-Breweries, has declared a pre-tax profit of R20.7m (\$27m) for the six months to March

from A\$6m to a record A\$11.9m

(U.S.\$14m) in the year to April 30. The dividend has been held

at 15 cents a share, but is paid

on capital increased during the

year by a two-for-three scrip issue. The result bears out

earlier forecasts by the board of a substantial rise in profits

Higher world market prices

for sugar, improved returns

from domestic sugar sales. and

from

Bundaberg's significant

for the full year.

A moderate increase on the R23.1m fiscal 1981 taxed profit pre-listing prospectus expected, by the directors, who report that there is good demand for the company's for the six months to March The prospectus said that tiewe Wijnbou 31. After-tax income, at CWD intended to declare stake in CWD R13.2m, was in line with the approximately half of distribut- by the public.

shares, 30 per cent are held by South African Breweries, 60 per cent by KWV Beleg-gings (the quoted holding company of the combined 60

BUNDABERG SUGAR Com-diversified activities, are cited achieved a record profit in a pany-almost doubled its profit, by the directors as the factors year when for part of the sell-from A\$6m to a record A\$11.9m behind the record results. They ing season for Australian sugar

behind the record results. They predict that the same factors

tiewe Wijnbouwers Vereeniging stake in CWD) and 10 per cent Bundaberg Sugar profit almost doubled

production, world market prices

sions, Hutchison said, would be

per cent Rembrandt/Koopera-

were at very low levels. will have an even greater im-HUTCHISON WHAMPOA has announced that it is holding The profit boost was achieved on an increase of only 37 per cent in turnover, from A\$92.6m discussions which may result in the sale of its 52 per cent share in Swift and Co., the Australian wholesaling and storage comto A\$127m (U.S.\$149m). Bundaberg's average price for sugar produced by its mills was \$A283.06 a tonne, an increase pany, reports Reuter from Hong Kong. The outcome of the discuson the previous year of A\$70.06.

The directors said that it was sions, Hutchison said, would be significant that the group announced as soon as possible.

This announcement appears as a matter of record only.

Can. \$60,000,000

Federal Business Development Bank

(An agent of Her Majesty in right of Canada)

Banque Fédérale de Développement

(Mandataire de Sa Majesté du chef du Canada)

11½% Notes Due July 15, 1990

Issue Price 100%

Wood Gundy Limited Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Kuwait International Investment Co. s.a.k. S.G. Warburg & Co. Ltd. Alahli Bank of Kuwait (K.S.C.) Algemene Bank Nederland N.V.

Banca Commerciale Italiana	Banca del Gottardo	Banca Nazionale del Lavo	ro Bence di Roma
Benk of America International	The Bank of Bermuda	Bank Heusser & Cie A.G.	Hank Len International
	ters Trust International	Banque Arabe et Internatio	nale d'Investissement (B.A.I.I.)
Banque Générale du Luxembourg S.A.		, Kurz, Bungener SA B	anque de l'Indochine et de Suez
Banque Internationale à Luxembourg S	A. Banque Loui	s Dreyfus Banque de l	Venflize, Schlumberger, Mallet
Banque de PUnion Européenne S.A.	Banque Worms	Barclays International Group	Baring Brothers & Co.
Bayerische Hypotheken-und Wechsel-B Aktiengesellschaft	ank .:.	Bayer	sche Landesbank Girozentrale
	er Handels-und Frankfurter	Bank Breisach Pinsche	
Caisse des Dépôts et Consignations	Centrale Rabobank	Chase Manhattan Chem	Liebel ical Bank International Group_
Christiania Bank og Kreditkasse	CIBC	Citicorp International Bank	Commerzhank
Continental Illinois County Bank	Creditanstalt-Bankve	rein Credit Commercial de	
Crédit Industriel d'Alsace et de Lorraine	Crédit Industriel et Comme	ercial Credito Italiano Dai Ich	Kangyo Bank Nederland N.V.
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DG Bank Deutsche Genographaftsbank	Deutsche Girozent	rale Dewas	& Associes International S.A
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Gulf International Bank B.S.C.	Hambros Bank	Hessische Landesbank	Hill Sammel & Co.
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Istituto Bancario San Paolo di Torino	Kidder, Peabody Inter		
Kredietbank S.A. Luxembourgeoise	Lauried	Limited Kultu Loeb L	ehman Brothers International
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Kuwait Investment Company (S.A.K.)	Lazard Brothers & Co.	Levesque, Beaubien Inc.	Llovds Bank International
LTCB International McLeod	, Young, Weir International	Manufacturers Hanon	* * * * * * * * * * * * * * * * * * *
Merrill Lynch International & Co.	Limited Midland Doherty	Limited Samuel Montagu & Co. Limited	er Marine Midland Limited Morgan Grenfell & Go.
Morgan Guaranty Ltd. Morga	Limited n Stanley International	National Bank of Abe Dha	I described
The Nikko Securities Co., (Europe) Ltd.	Nippon Credit In	ternational (H.K.) Ltd.	Nippon Enropean Bank S.A.
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Skandinaviska Enskilda Banken	Al-Bank Al-Saudi Al-Alami Limine N.V. Slavenburg	<u>Limited</u>	Barney, Harris Uphan & Co.
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Société Générale de Banque S.A.	Standard Charte	red Merchant Bank	Strauss, Turnbuli & Co.
Sumitomo Finance International	Sun Hung Kai F	imited inance (HongKong)	Svenska Handelsbanken
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Union Bank of Switzerland (Securities)		London Branch Ultrian de Romanas	Arabar as Research 17-0 4.0

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S. G. WARBURG & CO. LTD. July 10, 1980

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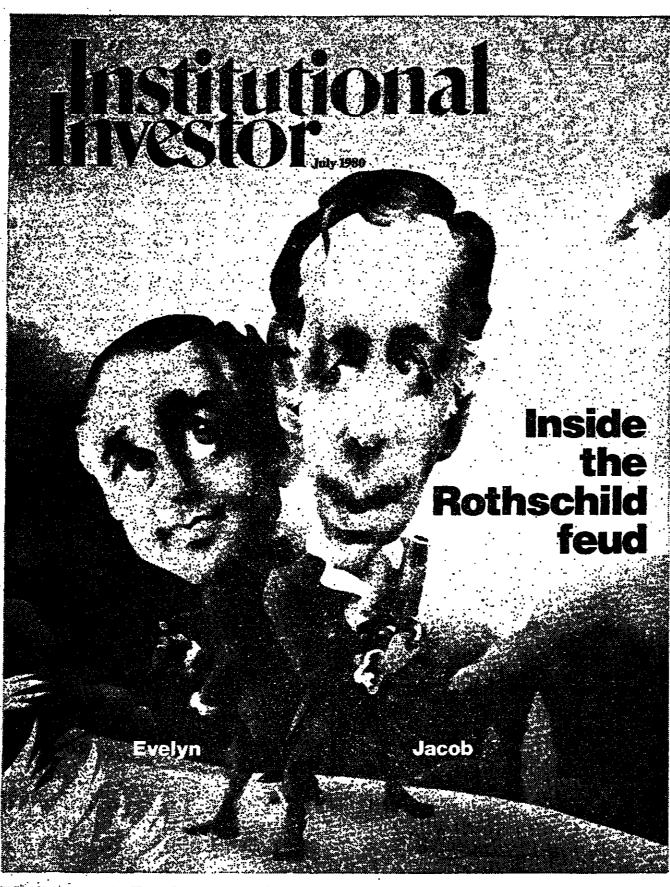
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> > Manager and Agent Bank **EURO-LATINAMERICAN BANK LIMITED** ---EULABANK--

July 1980

They said the parting was friendly



Evelyn and Jacob, two of the most prominent members of the Rothschild banking clan, stunned the City of London when they announced they were going their separate ways. They said they simply wanted to end "confusion" and "conflicts of interest" between their two companies.

But Institutional Investor found out otherwise

What really happened, *Institutional Investor* reports in its July issue, was a fundamental rift about the future of the most hallowed name in international banking.

ويتأست وسيوس

It's nothing less than a war between two elements of the Rothschild soul: The avaricious, entrepreneurial bent of Rothschilds past. And the settled, aristocratic inclinations of Rothschilds present. To Evelyn, the goal is to maintain Rothschild stature. To Jacob, it's to restore a waning influence.

In its new issue, *Institutional Investor* unravels the latest series of mysteries to surround the Rothschild name. What did the cryptic public announcement really mean? Why was it followed by an enforced secrecy? And what does it all portend for the future of the Rothschilds?

This article is another example of the perceptive and revealing journalism that has made *Institutional Investor* the most acclaimed and wellread financial magazine in the world.

Sandanie (1861)

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Companies and Markets

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	Baxt Tray Lat Beatrice Food Beckman Inst Beker Inds Bell & Howell Bell Industries Beneficial Beth Steel Beth Steel Big Three Ind	215g 7 27 147g 2414 9 1112 445g 217g	2156 263; 1412 2354 1116 4418 2154	Emerse Emery Emhan Engleh Enserc Enviror Esmari Ethyi	n Elect. Air Fat.	3614 15 3218 3534 3558 912 4838 2819	3558 144 3158 3558 3558 958 484	Kaiser Steel Kaneb Service Kaufman Brd. Kay Corp Kellogg Kennecott Cp Kennametal Karr-McGee	426g 27 ³ 4 107g 20 21 r. 275g 25 ¹ 4 80	91 411 ₂ 273 ₄ 101 ₄ 201 ₈ 203 ₄ 27 247 ₈ 811 ₂ 357 ₈	Pennzo People Perkin- Petrie : Petroia Pfizer Pholps Phila F	s Gas Elmer Stores Dodge	40 49 ¹ 4 50 ¹ 4 55 ¹ 8 35 ¹ 8 40 ³ 4 11478	29 391 ₅ 493 ₄ 251 ₂ 491 ₈ 35 401 ₈ 311 ₄ 141 ₈	Total Pet Trans Pet Transamerica Trans Union Transway Trans World Travelers Tri Continenta	1138 2518 2214 1612 33 2234 1414 4158	11 24 22 16% · 331 ₂ 223 ₈ 137 ₈ 416 ₉ 20
	Black & Decki Block HR Blue Beil Boeing. Boise Cascad Borden Borg-Warner. Braniff Intl Briggs Stratn. Bristol-Myers.	1838 27 2614 5758 8 3813 2534 3518 714 2434	1858 2638 2512 3758 3778 2638 55 718 2434 4012	EX Cell Exxon FMC Faberg Fedder Federa Fed. Na Fed. Pa	e S! Co I-Mogul, it. Mort. per Brd	331 ₂ 681 ₈ 243 ₄ 12	354 67 2439 1138 4 38 17 16 2712	Kimberley-Cik King's Dept. St Knight Rdr. Ny Koehring Koppers Kraft. Kroehier. Kroehier. LTV Lanier Bas. Pro Lear Siegler.	775a 105a Na. 243a 243a 243a 243a 4612 4 221a 11	4712 1078 2412 2268 2434 4512 456 2218 1058	Pioneer Pitney-I Pitiston Piannin Plessey Polarok Potlatoi Prentic	Morris Pet Y Corp Bowes G Rsch d	465g 374 £51g 6 481g 241g 343g	344 2158	Triton Oil Gas 20th Cent. Fox Tyler UAL UMC Inds UNC Resource Unilever NV Union Camp Union Campide UnionCommen	3712 1234 1858 1212 8. 1358 6434 4236	2315 8712 1212 1812 1216 1376 6434 4334 834
•	BP	285 ₈ n B 435 ₈ 261 ₂ p 251 ₂ 201 ₂ 127 ₈	331g 16 275g 431g 267g 251g 197g 121g	Fielder Firesto ist Ban ist Cha ist Chi ist City ist Ini ist Mis	k System k System rter Fin cago Bank To Banc sissippi	71s 71s 7734 1732 1738 1745 45 445s 401s	27 718 38 1718 , 164 + 4556 45	Lesseway Trai Lenox	25 25½ 25½ 345g 25¾ 345g 25% 345g 325g 325g 325g 325g 325g 325g 325g 32	263 2512 344 2378 23 6818 5018 413	Proctor Pub. Se Pub. S. Puilmar Purax - Purolate Quaker Quanex Quantor	Gamble rv. E & G. Indiana or Oats	7278 2058 2578 33 1686 2312 3412 2278	7418 2058 2378 324 1614 23 3378 2254 538 2318	Union Oil Cal Union Pacific Uniroyal Utd Brands Utd Energy Re US Fidelity G US Fitter US Gypsum US Home	134 5. 394 435 1819 3458 2819	551 ₄ 441 ₈ 33 ₄ 131 ₈ 387 ₈ 435 ₄ 171 ₂ 351 ₈ 213 ₄
٠.	Burlington Ind Burlington Nri Burndy	2118 3678 3549 5519 4578 4578 4834 6612 L. 5634 p. 3012	2114 3646 34 6514 4612 4876 6712 5612 3046 2336	Ist Pe Fisons- Fleetw Flexi-V Florida Ford M Foremo Foster Foxbor	Boston Dod Ent An Pwr & l otor st Mck. Whoele	53g 57g 9 193s 28 263g 263g 7 3134	525 ₄ 55 ₆ 51 ₈ 85 ₉ 183 ₈ 265 ₉ 265 ₉ 257 ₈ 451 ₄ 125 ₈	Lockheed Lone Star Inds Longs Drug Str Louislana Lanc Louislana Pac Lowenstein Lucky Stra MGA	74 74 303g 78-263g 1 465g 251g 101g 695g 163g	2718 7436 2912 2638 4412 2512 1058 7014 1612 4618	Ramada Rank Or Raytheo Reading Redmar Reeves Reichho Raliance	Purina a Inns g ADR g Bates i Inds bid Chem. e Group	756 412 7814 4955 1014 2938 1134 6712	12 758 458 7714 4918 10 2934 1178 6814	US Inds. US Shoe. US Steel US Streical. US Tobacco. US Trust Utd Technolgs Utd Telecomm: Uplohn VF	213e 2034 3454 34 231 ₂ 4478 175e 5378 2418	81g 211g 205g 331g 353g 241g 431g 171g 1537g 241g 241g
	Can Pacific Carlisle Corp Carnation Carp Tech Carter Hawley Caterpillar Celanese Corp Centex	3638 3634 2712 3112 3112 1958 5378 4912 4018	3658 3654 2714 3154 1812 5312 5014	Freepo Frueha GAF GATX GK Tec Gamble Gannet Gelco	nt Minl. uf hnologic Skogn	44 2658 1178 3134 est 394 10 4312 4678 3213	4314 2634 1178 3134 39 4134 4612 3812	Macke	1534 4534 1934 3234 6034 17	1358 4658 20 3234 43 60 1658	Rep of T Resch C Resorts Revoc (I Revera Revion Rexnord Reynold Reynold	c Steel exas cottreil Inti A DS) Goppor j s (RJ) s Mtis	2878 1778 3512 2814 1319 4858 1614 3814	2354 29 1778 3478 2856 14 4734 1658 38	Virginia EP Virginia EP Vulcan Matris Walker (Hm)C. Wallace Murra; Wal-Mart Store Warnaco	10 1158 27 H. 2378 7 2312 8- 40	10 1178 3634 2278 2378 39 1558
	Central & SW Central Tei Uti Central Tei Uti Certain-teed Cessna Aircrai Champ Homel Champ Inti Champ Sp Plu Charter Co Chase Mannha	14.5g 13.12 1. 25 16.5q 7L. 17 31d 11g 24.7a 9. 9.5g 19	141 ₂ 131 ₄ 251 ₈ 163 ₄ 1 245 ₈ 91 ₂ 195 ₈ 451 ₈	Gen Am Gen Cir Gen Dy Gen Ex Gen Fox Gen Ins Gen Mi Gen Mc Gen Po	Invest ema earnics ploratio xds trumen is triand.,	151g 211g 6914 5334 5334 571g 2634 497g 194e	264 491g 195g	Marriott. Marsh McLenn Marshall Fleid. Martin Mtta Maryland Cup. Masco Massey-Fergn Mass Mutti Cor Mattel May Dopt Strs Mayer (Oscar).	23 le 65 le 54 le 24 le 27 le 6 le 7. 16 le 7. 16 le 25 le	2312 6312 1614 5118 2458 28 634 1614 818	Rich- Mi Rite Aid Roadwa Robins (Rochest Rockwe Rohm & Rollins	errell y Exps (AH) er Gas II Inti Haas	241 ₈ 271 ₂ 331 ₂ 85 ₈ 141 ₂ 281 ₈ 411 ₄ 305 ₈ 551 ₄	2438 2714 3414 918 1434 28 4114 2834 5518	Warner-Lambt Washington Po Waste Mangt Weis Mikts Wells Fargo W. Point Peppl. Western Airline Western Airline Western Nth. Am Wastinghouse Westvaco	1936 1656 5812 2454 27 2912 3, 718 314 5618	1918 1634 58 2434 27 3912 734 3114 5634 2438
	Chemical NY Cheese Pond Chessie System Chicago Pneu. Chrysler Chubb Cincinnati Mil. Citicorp Cities Service	7718 734 734 739 739 739 739 7318 7318		Gen Rei Gen Sig Gen Tei Gen Tir Genesc Genuine Georgia Geosou	Parts	9414 3534 2814 17 336 2614 2719 5856	6 9414 3554 2814 1718 314 2578 2734 6834 2354	Maytag	2718 1234 1 2978 48 9- 2978 11. 2678 11. 2678	261 ₂ 125 ₄ 286 ₈ 475 ₄ 303 ₈ 421 ₂ 251 ₄ 315 ₈	Rowan Royal Cr Royal Du Rubbern Russell S Ryan Ho Ryder Sy BFN Con SPS Teo	rown naid stvr mes ystem npanies	2958 1314 8719 2314 1358 2619 21 2334 2458	2968 1338 8756 2318 1358 2514 20	Weyerhaeuser. Wheelabratr F. Wheeling Pitts. Whirlpool. White Consoltd White Motor. Whittakar. Wickes. Williams Co	3548 4058 1714 1878 25 534	35 3938 1758 1948 25 378 24 15
- (City Investg Clark Equipme Cleve Giffs Iro Clorox Cluett Peaby Coca Cola Coca Bti. NY Colgate Palm Collins Alkman Colt Inds	2534 3435 10. 2966 1056 918 34 518 1558	812	Gerber Getty O Gidding Gillette Global Goodric	Prods Lewis Varine h (BF) er Tire	2378 7914 2614 25 3114 1954 1468	2554 7919 2648 2414 5112 1934 1454 2678 4118 5178	Mead. Geni Media Geni Medironio Mellon Nati Mellon Nati Memorex Mercantile Sta Mercdith Mercill Lynch	2514 2954 72 2869 3658 344 36 7234	25% 29½ 70% 28¾ 36½ 145% 56 78¼ 37¾	Safeway St. Joe N St. Louis St. Paul St. Ragis Santa Fe Saul Inve Saxon in	Stores Alnis San F Cos Paper Inds Inti est	351g 511g 711g 551g 291g 615g 4114 83g 6	5054 7154 3514 2912 604 41 84	Winn-Dixie Str. Winnebago. Wisc Elec Powe Woolworth Wrigley Wyly Xerox Yellow Frt Sys. Zapata Zenith Rad	2978 214 25 26 3158 57 1634 3618	2934 2 2514 26 311 ₈ 814 5616 1714 3614 1034
				الم جوا		<u> </u>			 {		···			_			
	NEW Y	DRK ,		nd ov so			80 :	Since Cmpil't's	 		. 1	, l		.	190	80	_
		July 1 10	9	July July	3	High	Low	High (Low	AUSTRAL Sydney A	il Ord, (1939,28)	July July 14 1 1 1 1 1 1 1 1	1 10	9 926,86	High	780,00 (2	
	industr'is 89 H'me B'nds 72	1 1	1	-	1:889.91 5 74.62	905.84 (18/2) 76,61 (25/6)	(21/4) 85,87	1951,70 : 41,22 (11/75) · (2/7/62)	Metais &	Minis (1	936/49) 6	631.85;575	9,18,5804.	99 5974,08	6680.95 (14/2)	4581.26 (

	_							Norcen Energy Nthn. Telecom Oakwood Pet	. 37½ 20	354 37 193
Cmpii't'n		July	July	July	July	i	80	Pacific Cooper Pan Can Petrol	. 3,50 . 80	2,19 3,45 791 ₂
h (Low		14	11_	10	9	. High	Low	Patino Placer Dev	. 32½ 20	25 21
70 41,22 3) (2/7/82)	AUSTRALIA Sydney Ali Ord, (1939/89) Metais & Minis (1936/89)	906.55 5631.85	916,55 5758,18	918.50 5804.99	926.86 5974,86	947.47 (14/2) 6680.95 (14/2)	760.08 (2/T) 4581.26 (28/a)	Power Corp Quebec Strgn	153 ₆ 5.76	151 6.00
0 12,25 30 (8/7/52)	AUSTRIA Credit Aktien (2/1/52)	87.07	67,16	87.15	67,00	69,40 (7/1)	66,85 (23/6)	Ranger Oil Reed Stenhs A Rio Algom Royal Bank	934 351 ₂ 50	101 331 50
52 , 30,52 68) (28/4/42	BELG/UM Belgian SE (61/12:93)	84.70	94,47	84.72	84,64	105.75 (11/2)	98.14 (61/8)	Royal Trustco A Sceptre Res Saegram	1334	15 131 631
-	DENMARK Copenhagen SE (1.1/76)	82_12	82,25	82.06	82,85	89.74 (2/1)	74.78 (5/8)	Shell can Oil Steel of Can A	.i 321 ₈	354
jo (approx)	FRANCE CAC General (29/12/61) Ind Tendance (28/12/79)	(c)	107,8 108,4	108.8 , 110.3	109.0 110.4	115.2 (14/2) 110.7 (8/7)	97.1 (5/1) 95.60 (6/1)	Teck B Texaco Canada Thomson News A Toronto Dom Bk. Transcan Pipe	110 171 ₂ 301 ₈	173, 1101, 171, 304, 241,
5,69	GERMANY FAZ-Aktien 31/12/58 Commerzbank (Dec. 1955	230.19 724,4	251.12 727.6	261.51 728.6	231.69 728,4	258.89 (25/2) 749,2 (25/2)	212.75 (28/5) 667.0 (27/5)	Trans-Mintr Oil A. Utd Siscoe Min es Walker(Hrm)C.H. Warrior Res	1356 20 274	1314 19 271 ₉
h ; Low	HOLLAND ANP-CBS General (1970) ANP-CBS Indust, (1970)	84.3 62.7	84.2 62.7	84-6 82.9			74,0 (27/ā) 58,2 (28/ā)	Westcoast Trans. Weston (Geo)	144	141 ₂ 251 ₄
64 6,62 75) (80/8/82) 85 , 4,46 78) (1/8/82	HONG KONG Hang Seng Bank (51/7/64)	 1104.56	1101.14	1083.79	1081,44		768.9 (19/6)			
(арргох	ITALY Banca Comm. Ital (1972)	101.54	101.67	103.07	185,42	107.74 (29/6)	85_1† (2/1)	AUSTRIA	1 1	ſ
.03	JAPAN Dow Average (18/6/49) Tokyo New SE (4/1/58)	6779.36 488.47	8787,9 469,02	6784.24 470.24	6789.71 468,90	5904.81 (25/4) 475,55 (23/6)	\$475.98 (27/8) 448,01 (10/8)	July 14 Creditanstalt	Price % 636 636	+ <u>or</u>
Falls 10, July 9	NORWAY Oslo SE (1/1/72)	122.75	122,75	125.57	125,35	144.70 (14/2)	11B.12 (28/5)	Perimoser Semperit Steyr Dalmier	267 107	-8 -1 +1
1,885 819 686	SINGAPORE Straits Times (1965)	581.20	564.58	657.00	550,15	564,58 (11/7)	429.75 (ā/1)	Veitscher Mag		
380 89 2	SOUTH AFRICA Gold (1958) Industrial (1958)	(u) (u)	729.7 558.6	729.1 555.6	740.5 564.7	748,8 (8/7) 555.8 (8/7)	649,5 (18/6) 456,0 (28/1)	BELGIUM/LUXI	F M BOL	JRG
Low	SPAIN Madrid SE (28/12/78)	(c)	102,78	102.67	102,27	105,28 (27/2)	95,76 (16/6		Price	+01
.21 (27/6) .90 (27/6)	SWEDEN Jacobson & P. (1/1/58)	372.88	ō72,54	870.96	3 71,91	565.98 (2/2)	. 854.72 (17/1,	ARBED	1,640 5 050	_ _
2.5 (27/8)	SWITZERLAND Swiss Bank Co. (61/12/58	802.2	592. 5	702.0	301.2	ā)7,9 (11/2)	284,5 (22/4)	Bang Ind a Lux Bekaert B Clment CBR	1,900 928	+5
Change	WORLD Capital Intl. (1/1/78)	_]	145,6	145,2	145.9	145.0 (8)7)	129,5 (27/5)	Cockerili EBES Electrobel Fabrique Nat	237 1,890 6,200 2,900	-10 +50
ting on the ting of the ting of ting on the ting of ting on the ting of ting on the ting of ti	Base values of all and Poors—10; and Ton					d based on 197		GB. Inno	2,355 1,440 1,254 2,630 1,490	+45 15 10 +4 +15

Active early Wall St. advance

STOCKS ON Wal Street tended THE AMERICAN SE Market to move ahead in active early Value Index added 2.26 at dealings yesterday, extending 308.86 at 1 pm on volume of last Friday's late firming trend.

3.78m shares (3.02m).

Hong Kong

Mixed price mov recorded after an arrading which seems to trading which seems to the seems to th

The Dow Jones Industrial Average was 7.16 higher at \$98.29 at 1 pm, while the NYSE All Common Index climbed 60 cents to \$68.04 and advances outscored falls by a two-to-one majority. Turnover expanded to 28.38m shares from Friday's 1 pm level

of 25.76m. The market received a lift last Friday from news of a further oil discovery off Newfoundland and from improved second-quarter IBM profits. Analysts noted that second-

quarter corporate profit reports so far, particularly in cyclical stocks, were not as bad as forecase made when the economy was sinking early in the quarter. They added that a belief that the Federal Reserve would hold a steady monetary policy and not tighten to prop the dollar or revive lagging monetary growth was also encouraging.

Oils continued to strengthen. Mobil, which made the announcement on the oil discovery off New-foundland on Friday, added

174 at \$76\frac{1}{2}\$ in active trading.

Exxon rose \(\frac{1}{2}\) to \$58\frac{7}{2}\$.

Getty Oil advanced 1\(\frac{1}{2}\) to \$\$1.

A Kuwait investment organisation wants to buy nearly 12m

Getty shares from the estate of J. Paul Getty for \$82 apiece, but the company said it would like wider dispersal of the block of stock

and put on 1 to \$621. Among other Computer issues, National Semiconductor gained 2 to \$28, Hewlett-Packard 12 to \$681 and Computervision 32 to \$661. Brown rose 13 to \$30. Public holders of Brown are to receive an additional \$1.77 cash a share for their stock when James River acquires Brown from Gulf and Western.

Closing prices for North America were not available for this edition.

Quality Inns jumped \$4 to \$14. Manor Care, which has agreed to acquire Quality for \$14.25 per share in Manor Care stock, lost \$1 to \$17\frac{1}{4}.

Stange advanced 1½ to \$10½. Iroquods Brands said it is seeking the shareholder list of sing the shareholder list of Stange and may make a bid for the rest of the Stange shares that it does not own. Iroquois, which recently acquired 7.1 percent of Stange, hardened 1 to \$12 on the New York SE.

Canada

Apart from a broadly lower Golds sector, Canadian markets displayed a firmer bias in reduced but still active trading vesterday morning. The Toronto Composite index edged up 1.3 to 2,118.2, while Oil and Gas put on 17.8 to 4,965.5, but Golds receded 122.8 to 4,432.2.

Tokyo

Shares continued to show an easier tendency in light trading. The Nikkei-Dow Jones Average ended 23.25 lower at 6,799.36 and thet Tokyo SE index slipped 0.82 to 468.72. Declines outpaced rises on the First Market section by 336 to 259 after volume of 210m shares, against last Friday's 250m and Saturday's half-day session total of 180m.

Active IBM rose \$1 more to Among export-orientated \$631, Control Data reported Motors and Light Electricals, improved second-quarter results Toyota receded Y12 to Y743, Yamaha Motor Y20 to Y835, Sony Y30 to Y2,200, Victor also Y30 to Y1,600 and Pioneer Electronic Y20. to Y2,030, but TDK Electronic rose Y40 to Y2,360.

Trading Houses and Oils eased in places, but Nippon improved Y20 to Y1,430.

Tanabe Sciyaku moved ahead Y100 to Y739 on speculative buying, but recent speculative favourites mainly retreated, Nippon Singian losing Y19 to Y465 and Kyosan Y19 to Y304.

Mixed price movements were recorded after an erratic day's trading which saw renewed heavy buying partially erase early losses. The Hang Seng index closed a net 3.42 higher at

a new seven-year peak of 1104.56. The initial setback reflected

The initial setback referred, profit-taking and nervousess following the Government's request for an investigation into share dealings in Hutchison Whampoa which took place immediately preceding an announcement of the sale of 90m of its shares last September, dealers said.

of its shares last September, dealers said.

Hutchison Whampoa fell to HK\$10.80 before bicking up to HK\$11.20, down 20 cents on the day, while Jardine Matheson lost 20 cents at HK\$20.60 and Swire Pacific "A" 10 cents at HK\$8.80. In contrast, Hang Seng Bank gained HK\$1 at HK\$138, while Hong Kong Bank, HK\$17.70, finished a net 50 cents firmer apiece. Swire Properties stood out Swire Properties stood out strongly with an advance of 45 cents at HK\$7.65

Australia

Minings, Oils, together with and Schering, in Chemicas, resources related issues on the Industrial boards, mainly retreated on fresh profit-taking and lack of the recent good over seas demand. The Sydney All Ordinaries index receded 10.22 to 906.33 and the Metals and Minerals index 127.28 to 5.831.85

Deutsch Bank shed DM 3 and schering, in Chemicas, research DM 4.50 to DM 70.00

Johanneshurg

Gold issues relinquished in ground on the lower Bull price, with share dealers residence. Minerals index 127.28 to 5,631.85. Minerals index 127.28 to 5,631.85.
Energy stocks, including Shale
Oils, were hit by an exodus of
foreign cash despite market
speculation of a better-thanexpected test at Strata Oil's
Dongara Basin gas find.
The speculation pushed Strata
shares 25 cents higher at one
point before profit-takers clipped
the stock back to A82.40 for a

the stock back to A\$2.40 for a loss of 10 cents on the day. With London buyers between Account periods, UK favourite Woodside Petroleum fell 21 cents

to A\$2.99. Hartogen lost 15 cents to A\$4.70 and Monarch Petroleum 10 cents to 35 cents. The market was closed Despite talks of a promising day for Bastille Day.

drilling report from the Nagoor, shale oil prospect later this wee Greenvale shed 50 cents to A and Central Pacific ASI to ASE Among Minings, Bougainvil Among minings, bougainvil Copper receded 15 cents A\$2.45, Hamersley 15 cents A\$4.50, Western Mining 16 cents to A\$5, Poseidon 15 cents A\$4.25, Gold Mines Kalgarii cents to A\$8.50 and Pet Wallsend 16 cents to A\$8.10

Germany

Bourse prices were inchined

drift lower in stack trading let-ing the Commerciank index ... 3.2 at 724.4

Market observers said the m-ket is going through its ba-tional summer lethargy and affected by a lack of foreign +

Motors provided the weaks sector, with Volkswagen deci-ing DM 3.20 to DM 171:00 BMW DM 2 to DM 147 Dalma Benz of DM 1.70 at DM 2611 followed the trend despite a dictions announced vesterday chairman Gerhard Prinz that i company expecte doperation full capacity for both 1980 a

ground on the lower Bull price, with share dealers rest ing fairly heavy overseas selling fairly heavy overseas selling Buffelsfontein shed FR1.25.

R45.50 and East Driefond R1.50 to R28.25.

The Anglo-American Gro gold producer Western Holdh featured with a fall of RASS RS3.50 on news of the men-involving Western, Free Si-Saziplass and Welkem Sazipl-lost 25 cents to R9.85, Well. 100 cents to R19.75 and Aug. _40 cents to R16.80.

Paris

The market was closed vest

			I HOLLAND	-	I AUSTRALIA			JAPAN (conti	, i.	7. m.[]
	CANADA	BELGIUM (continued)	1 :		ROSTRALIA	Price	+or	July -14	Price	
	July July Stock 11 10	July 14 Frs	July 14 Price 4	- or	July 14	Aust, 8		July 14	Yen	
		Petrofina		<u> </u>	ANZ Group	4.96 1.00	-0.94	Kupota Kumagai Kyoto Ceramic Lion Maeda Cons	397	فنا
	Abitibi	I Non Gen Band . 2.410 0		-1,2	Alistate Expl		-0.19 -0.03	Kyoto Ceramic.	_45,270 1 397	<u> </u>
	Alcan Alumn 3158 3118 Algoma Steel 32 32	ISAN Men Reige 1.470 -12	ABN 296	+0.8 +2.5	Ampol Pet Assoc. Pulp Pap.	2,20		Maeda Cons	1030	
	Asbestos 36 37 Bk Montreal 275g 28	Sofina	AMEY	+0,8° +0,1	Audimco	0 30 2,80		Marubeni	.」 169	}⊊
	BK NOVA SCOTIA ZUIE : DUIA	UCB 1,296 -2	Bredero Cert 170,5 4	10.1	.] Aust Guarant	1.58	+0.05	t Marul	570	漆で
	Basic Resources. 165, 16	Union Miniera 754 -2 Visilie Mont 1,572 -6	Buehrmann Tet . 65.5	+0.1 -0.2	Aust Nat Inds	2.05	+0.65	Metsushita	671	=
	Bell Canada 2014 1978		Elsevier	+0,5 -2	Bank NSW Blue Metal	1.80	+0.02	Mibishi Bank	416	
	Bell Canada	DENMARK	Ennia 155 -	+1	Blue Metal Bond Hidga Boral Bi'ville Oopper Brambles Inda	1.85 2.80	0,83 82.0+	[M'bish! Elec	.į. <u>19</u> 5	<u>† 7</u>
	Brascan A 275g 271g Brinco 81g 83g	July 14 Price + or	The same of the same of	-0,2	Bi'ville Copper	2.45	-0.16	M'biahi Ri Est	J 386] =
	B.C. Forest 141, 141,	Kroner —	Heineken	-1.4 -0.9	Bridge Oil	3.80	+0.08	Mitsui Co	. 390	t .
	Camflo Mines 256g 2514	Andelsbanken 108	Hunter Douglas. 15.3 -	-0,7	Brunswick Oil	14.60	0.65 0.01	Mitsui Ri Est Mitsukoshi	434	12
	Can Cement 1214 1239 Can NW Lands 23 2231	Baltica Skand 313 Burm & Wain 32.756.5		-0.6	CSR	6.94	-0.26	f MCK Internations	7 462	[] 5
		I Cop Handelsbok, 192.70	Naarden 14.6	-0.8 -0.5	Cariton & Utd Castiemaine Tys.		777	Nippon Denso	690	₩1.7± 1.7±
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Long Gov. Bond Yield High , Low 67,44 66,95 67,46 67,37 67,77 55.30 (18/2) (27/8) MONTREAL July July High 588,72 567,24 582,96 582,61 425,80 (29/2) 558,70 557,55 582,08 561,78 578,80 (29/2)

NEW YORK ACTIVE STOCKS

TORONTO Composite 2116,8 2114.5 2141,5 2145.5 2192,6 (29/2) 1702

Change g on day + 23, + 7, + 23, + 11, Stocks traded 331,000 Amer. Cyanemid 370,200 Amer. Cyanemid 370,200 Mid-SO Utl. 283,200 Brunswick 267,500 Closing price 45 31 48 13 124 on day +1% + % +1% 758,900 457,500 443,900 433,500 price 7512 295 144, 4654 623,

U.S. futures trading

By David Lascetles in New York THE LONG-STANDING tussie between the Commodity Futures Trading Commission and the U.S. commodity exchanges over regulatory powers escalated yesterday in a dispute over financial futures trading.

Following the refusal of Chicago's two leading exchanges, the Board of Trade and the Mercantile, to heed a CFIC order barring them from instituting four new trading anonths in Treasury instru-ments, the CFTC was forced to resort_to the courts to compel them to stop trading. In the Federal District Court

of Northern Illinois, the CFTC yesterday obtained a tem-porary restraining order which prevents the exchanges from trading the new months for 10

The first round thus goes to the CFTC. But given the vigour with which the Chicago ex-changes have been defending what they consider to be their self-regulatory rights against the encroachments of the CFTC, this may not be the end of the

Both the Board of Trade and the Mercantile started trading last week in Treasury instrument futures for February, May August and September. All months in which the Treasury issues large amounts of debt. But the CFTC was concerned because these are also the months in which the planned New York Futures Exchange (NYFE) expects to trade Treasury paper, and it is feared that proliferation will complicate the Treasury's task of managing the national debt.

World wool supply unlikely to expand

WORLD wool supplies available for consumption in the 1980-81 season are unlikely to show any increase on the 1.65m tonnes in the current season, the Commonwealth Secretariat said. Carryover stocks, however, are likely to show a small rise from the 96,000 tonnes last year, reflecting a larger than normal Australian carryover after the 11-week wool handler strike it said in its latest Wool Quarterly

There is also likely to be a relatively large carryover in Argentina where wool is being

New row in Date set for renewed cocoa pact talks

BY BRIJ KHINDARIA IN GENEVA

COCOA PRODUCERS and consumers will meet in Geneva on July 28 to discuss the feasibility of concluding a new international cocoa agreement to replace the one which lapsed

of the United Nations Confer- sumers and producers are willence on Trade and Development (UNCTAD), will last for a fall in cocoa prices well below week. No agenda has been the minimum 120 cents level fixed so participants can feel sought by producers during free to bring up any aspect renegotiations to renew the prelated to cocoa for discussion. The main issues that have suaded the producers to lower deadlocked cocoa talks so far their sights. are: the level of prices to be maintained by any new agree-ment; whether the pact should open negotiations again with use only buffer stacks or also the aim of fixing a minimum

The \$200m and more accumulated by the previous agreement such a level is too high, par-has still not been returned to ticularly in view of likely producing countries, which supply gluts starting next year agreed to allow UNCTAD as a result of heavy investments Secretary General, Gamani made by producers five or six Corea, to have another try at years ago. The EEC Commisgetting a new cocoa accord sion has said, however, that 110c before claiming reimbursement. may be a good starting point

If the July 28 talks in Geneva for talks.

create the impression among all participants that a new cocoa agreement is possible, the existing money may be used for the new accord.

Mr. Corea has said repeatedly export controls.

The U.S. opposes controls and earlier this year. that he thinks a new agreement.

The talks, held under auspices is feasible because both coning to continue discussions. The vious accord, may have per-

The UNCTAD Secretariat is production and export controls; support price of between 110c and how it should be financed. and 120c. But both Britain and West Germany have said that

Producers argue that such price levels can be maintained n spite of overproduction if the accord combines a buffer stock system with output and

wants the new accord to rely only on large buffer stocks. On the London futures market cocoa prices rose sharply, reversing last week's decline.

The September position ended the day £34 up at £1,070.50 a Dealers said the rise was influenced by a very steady New York market, coupled with speculative and manufacturer buying. Most of the speculative support represented buying against earlier "short" sales,

they added. Last week's decline took prices down to the four-year lows reached last month and the fact that this level was not breached suggested the existence of a support area. Dealers thought this may have given added encouragement to yester-

Threat to UK egg output grows

BY RICHARD MOONEY

of production by depressed prices, their counterparts in by the fact that it is a net exother EEC countries have been porter of eggs while France is preparing for a further production increase this autumn.

Placings of day-old chicks in egg production batteries rose 5 per cent for the whole of the Common Market in April, compared with the same month last year, in spite of cuts of 16 per cent in the UK and 17 per cent in Ireland. This rise will add in the autumn and winter.

The National Farmers' Union claims most British producers are already making losses so the prospect of a further output increase and still lower prices is being viewed with deep con-

Last week Mr. Bill Leeke, chairman of the NFU poultry to hidden subsidies paid to the Save It!"

THE CONTINENTAL threat to committee, visited France, one Continental producers and it is

a net importer. But if present trends continue this position bringing the market back into will change soon. In the first balance. five months of 1979 the UK exported 520,000 boxes of eggs more than it imported. In the same period this year the figure had shrunk to 230,000.

The French told Mr. Leeke that their trade actually helped further to the EEC egg surplus the British market. They took in the autumn and winter. the small eggs British housewives did not want, while sending larger eggs for which UK demand was good, they claimed. The competition is far from welcome to UK producers, however, especially as the eggs are sold at prices below average British production costs. The NFU suspects that this is due

British egg producers is still of the main onescere, arous growing. Figures published by with Holland, to examine the investment grants, tax concests the international Egg Commispossibility of voluntary restrictions, and reduced interest tion of exports. But the idea rates received by EEC egg growers to determine whether the state of the main onescere. Britain's case is not helped they have an unfair advantage over the British. The EEC Commission is also looking into this as well as seeking ways of

> Meanwhile, the British Eggs Authority has warned that if nothing is done to prevent producers being driven out of business, Britain could be left with a permanent dependence on imported eggs. "A scheme imported eggs. "A scheme should be introduced im-mediately to discourage intra-Community movements at prices below costs of production," it

> The Authority has mounted a national car sticker and poster campaign to alert the public to the seriousness of the situation. The egg-shaped car stickers bear the legend "The British Egg-

Base metals depressed by gold

By John Edwards, Commodities Editor

THE DECLINE in gold and silver prices brought a generally easier tone on the base metal markets yesterday. Copper, which had been boosted on Friday by news that talks seeking a settlement of the U.S. copper workers strike were not likely to start until August 20, eased yesterday in quiet conditions. Cash wire-bars closed £3.5 lower at £908.5 a tonne. Other metals followed the decline with the exception of zinc, which held

Tin was nervous prior to

the second offering of surplus stockpile tin. due today. Lead came under pressure in late trading. It closed £3 down at £333.75 a tonne, but fell further in subsequent dealings. Earlier it was claimed that the lead market had already discounted a hig rise in LME warehouse stocks of lead, which increased by 8,475 tormes to a total of 35,850 tonnes. A rise in aluminium storks, up by 975 to 17,300 tonnes, failed to relieve the shortage of nearby supplies that has pushed the cash price to a premium over the three months quotation. Tin stocks rose by 65 to 1.980 tonnes, but nearby supplies also re-

main tight.
LME silver holdings rose by 230,000 to 28.070,000 ounces. All the other stocks were down: copper by 875 to 108.725 tonnes; zinc by 500 to 57.950 and nicked by 120 to 5.874 tonnes.

India's iron ore output

NEW DELHI-India's Calendar 1980 from ore production is likely to be around 40m tonnes, little changed from 39.5m tonnes in 1979 and compared with 38.8m tonnes in 1978, Pranab Mukherjee Steel and Mines Minister told

Molybdenum found in China

PEKING - Geologists have found large deposits of molybdenum with verified reserves of 1.5m tonnes in central China's Hunan Province, the New China News Agency reported.

Australian cane expansion plans discussed

BY PATRICIA NEWBY IN CANBERRA

begins hearings today into whether the amount of land in August.
allocated to sugar care should Australia has obtained new be increased

owners have been pushing for an increase in the strictly-controlled production levels of volve the sale of 155,000 tonnes sugar to take advantage of annually to Malaysia and Singa-

the short and long term from CSR, the monopoly sugar exporting agent and will look into other factors such as protection for growers who cannot increase the amount of land under cape but who could suffer if prices fall and production levels rise.

The hearings, which are

contracts to supply Malaysia, buoyant world markets.

The board will hear evidence on marketing prospects in both

buoyant world markets.

pore from 1981 to 1983. The New Zealand contracts are for 68,000 tonnes a year in 1984.

Malaysia and Singapore cur-rently take almost 250,000 tonnes a year of Australian sugar. The current world spot price for sugar is about A\$600 a tonne, which puts a total value on the contracts of more than A\$700m.

and Resources. Mr. Peter Nixon, headed by a Supreme Court said that with the signing of judge, are expected to take the new contracts the Austrathe new contracts the Austra- news that bout two days. The Board will lian sugar industry would have then make its recommendations firm forward supply committee after a two months' suspension to Mr. Vic Sullivan. the Queenstine ments with five main consuming caused by a domestic supply land Minister for Primary Incountries in the Asia-Pacific shortage.

THE CENTRAL Sugar Cane dustries, who in turn is expected region. These commitments Prices Board of Australia to make a decision before the would account for more than end of the cane planting season half of the Australian industry's export availability. Mr. Nixon said that Australia had recently been receiving numerous in-Caue growers and mill Singapore and New Zealand with quiries for the supply of sugar and that the overall supply situation was "tight"

 London sugar futures prices rose sharply yesterday with the October position ending the day £16.625 higher at £297.875. The rise was attributed to

reports that the USSR pur-chased up to 250,000 tonnes of Philippines sugar last week coupled with a warning from sugar statistician F. O. Licht that beet growth in Poland had again been hampered by rain.
The October price climbed to The acting Minister for Trade £307.50 a tonne at one time,

wiping out most of Friday's sharp decline, but then fell on news that Thailand would resume sugar exports today

crop would fall by 6 per cent to 7.28bn bushels.

report on the Chicago Board of

Trade grain futures was for

prices to jump the permissible

limit up in early trading. The

continued hot, dry weather over the week-end was seen as

threatenine sovabeans as well

In spite of the rise in As

Immediate reaction to the

Weather risk to grain crops

BY OUR COMMODITIES STAFF

erain crops both in the U.S. and Europe. Constantin von Heereman, president of the EEC Farmers' Federation (Copa). warned that this year's harvest, especially the grain crop, was being hit by the unseasonably cool and wet weather in much of Western Europe this summer. He said that in West Germany

large areas of grain had been flattened and the condition of the crop was causing concern. Belgian fodder crops have been significantly damaged by bad weather, too. In Britain, the Home Grown

Cereals Authority said there were no immediate problems for UK grain crops, although the harvest had been delayed and further rain could bring a deterioration of quality.

Meanwhile the Cereals Autho-

rity is offering for sale supplies of barley and wheat, bought up by the Intervention Board for Agricultural Produce. It is offering 14.115 tonnes of barley and 2,223 tonnes of bread-making

The decision to sell follows shortage of nearby supplies. with 373m previously.

BAD WEATHER is threatening The harvest delay due to the bushels, while the maize (corn) prolonged wet weather has brought increased demand for old-crop supplies.

U.S. farmers have been hit by exactly the opposite problemlack of rainfall and drought conditions in several key grain growing areas, notably Texas. In its latest grain harvest report the U.S. Department of Agriculture predicted that wheat pro- as maize, and the rise in feedduction this year would rise by grains pushed wheat values up 8 per cent to a record 2.32bn as well.

World cereal output rise forecast TOTAL WORLD gain production is expected to rise to domestic production, the Soviet 1,581m tonnes in the 1980-81 Union is expected to require season, compared with 1,520m

the latest estimate by the U.S. Department of Agriculture. to be higher in the Soviet Union, Coarse grains are fore-

imports of over 30m tonnes of grain to help rebuild stocks tonnes previously according to after the poor 1979 crop and the U.S. sales embargo. Russia has entered into a five-It said production is likely year agreement with Argentina to buy each year 4m tonnes

East and West Europe, but down of feedgrains — maize and in Canada and the U.S. World sorghum—and 0.5m tonnes of wheat output is put at 444m soyabeans. The U.S. Departtonnes against 414m in 1979- ment of Agriculture estimates the Argentine maize crop will cast 743m. against 728m tonnes, fall to 6.5m tonnes in the year the recent rise in prices for old and world rice output is pre- to February 1981, compared crop supplies resulting from a dicted to rise to 394m compared with nearly 9m tonnes the pre-

BRITISH COMMODITY MARKETS

1334 before easing afresh to close the late kerb at 2327. Turnover: 25,425 noon the price held around the 27,170 tonnes.

COPPER Official - Unofficial -903.54 -3.75 908-9 926.5 -3.5 931-5 904 -4 Cash.....

Amalgameted Metal Trading reported that in the morning cash wirebors traded at £905, 4.5, 3.5, three months that in the morning cash wirebors traded at £905, 4.5, 3.5, three months £928, 27.5, 27, 26, 26.5, 26. Cathodes, cash £984, 25, 36, 87, 86, 85, three months £927, 26, 25, 24.5, 24, 23.5.

Morning: Standard, cash £7,170, 85, 80, 85, three months £7,170, 80, 85, 70, 75, 70. Kerb: Standard, months £927, 26, 25, 24.5, 24, 23.5.

NewYork - 1

2mounts, on:
London Traded commodities, lacinding GOLD. 2. The STERLING/DOLLAR exchange rate. LG. Index Limited, 73, The Chase, SW4 ONP. Tel.: 01-622 9192

CORAL INDEX: Close 487-492 (-4)

Our clients speculate, free of tax, in very small to very large

copper to close the Turnover: 845 ton		kerb at E	,155
TIN Official	t+ or	p.m. Unofficial	+-
High Grade 2 Cash: 7150-5 5 months 7170-5	-2.5	7140-5 7160-70	-51 31
Settlem't 7165 Standard Cash 7160-5	_2.5	7140-5	3E
5 months 7170-5 Settlem t 7165	.—5	7160 70	— 2 0

December Cocoalil2-1121

ContiCommodity

SPECIAL REPORT ON CORN

If you would like to receive a copy of this report. please contact your nearest Conti office:-

World Trade Centre, London E1 9AA Telephone (01) 488 3232 Telex: 887438

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POTATOES

. . . .

special interest to the smaller brochure and charts which are free are available to those who would like to be implied in this new market, Please 'phone 074-884 204 or

Telex 587138 for literature

COMPANY NOTICE

CREDIT NATIONAL

Emprunt obligataire US\$75, million, 1978/88 A-taux d'intérêt variable The rate of interest applicable for the six months period beginning on July 11th 1980 and set by the reference agent is 9 4/8% annually.

LEAD Official - Unofficial -2 2 2 2 353.5 -1 353.54 -3 542.6 343.54 -.5 333.5 -1.5 -....

Moraing: Cash £333, 33, 34, three months £344, 43, 42, 42, 5. Kerb: Three months £342,5. 43. Afternoon: Three months £344, 45, 44, 43. Kerb: Three months £343, 42. ZINC—Barely changed in idle trading with forward metal finally £311.5 on the late kerb. Turnovar 2.475 tonnes.

. ZINC	a.m. Official	+ or	p.m. Unoffici'	# 01 —
Cash š months '3'ment Primw'ts	310-,5 299		299.5-,75	
	: Cash	£299, Kerb;	three m	onths onths

£310.5. Afternoon: Three months £311.5, 11, 11.5. Kerb: Three months £311.5, 11, 10. ALUMINIUM—Steady with the market ALUMINOM—Steady with the market sustained by the continuing tightness of nearby supplies. Forward metal traded in a narrow range prior to ending the late kerb at £728. Turnover.

a.m. tor p.m. tor Official — Unoffic'l —

Morning: Cash £748, 50, three months £730, 29, 30, 31. Karb: Three months £731, 30. Afternoon: Cash £748, three months £730, 29, 28. Kerb: Three months £729 MICKET—Little changed in quiet trad-ing with forward metal drifting through-out the day to close the late kerb at

Morning: Three months £2,807, 05.
Kerb Three months £2,800. Alternoon:
Three months £2,795.

Ceats per gound. ‡ \$M per picuL
† On pravious unofficial close.

Silver was fixed 13.3p an ounce lower for apot delivery in the London bullion market yesterday at £6.6895. U.S. cent equivalents of the fixing levels were: Sport \$15.899, down 20.1c; three-month \$16.296, down 29.5c; six-month \$16.764, down 28.2c; and 12-month \$17.639, down 20.5c. The metal opened at £5.77-63.88 (\$18.10-\$16.20) and closed at £5.55-£6.75 (\$15.80-\$16.00).

SILVER Buillon + or L.M.E. — per fixing — p.m. troy oz. price Unoffici'i 668.85p -15.80 673.5p 695.76p -15.20 700p 721.30p -15.50 — 765.70p -15.50 —

at £6.65-£6.75 (\$15.80-\$16.00).

LIME—Turnover 139 (179) loss of 10,000 czs. Morning: Three months 692, 93, 94. Kerb: Three months 695, 95. Afternoon: Three months 704, 5. 4, 700. Kerb: Three months 698, 95, 94.

COCOA	Close		Done
July	1050.52	i 1 ± 97 5	1052-25
Sep		+ 54.0	1075-37
Dec			1117-1082
			1156-25
May		7+81,5	
	. 1197-1205		
Sept <u></u>	. 1 2 25-26	+ 35,5	1225-1195
Selec: 2	20E 14 21ES	1-06	40 10000

COFFEE

Robustas opened with gains of £15 to follow a steady New York close, reports Drexel Burnham Lambert. There reports Drexel Burnham Lambert. There were no Iresh features and no fundamental factors to inspire an active day, and prices generally held in a narrow range with producer perticipation dominating the market for most of the session, and attempting to support values when commission houses applied some late-afternoon selling

pressure,			
COFFEE	yesterday's Close	+ or	Busin
	E per tonne		1 201
July	1415-20	+ 15,0	1425-06
Sept	1456-57	+22,0	1489-50
NOA	1502-04		
jaunáta	1510-15		
March	1470-80	+ 19.0	1475-70
May	1450-90	+ 12.0	_
July	· 		_=
Sales: 25,0	320 (8,584)	lots	10

ICS Indicator prices for July 11 (U.S. cents per pound): Other Mild Arabicas 165.17 (158.00). Robustas ICA 1976 155.00 (152.00). ICA 1968 155.25 (152.25). Unwashed Arabicas 207.50 (aame). Comp. daily ICA 1968 179.78 (178.75).

GRAINS

LONDON GRAIN FUTURES-Grains LONDON GRAIN FUTURES—Grains opened 10p up. Some keen trade buying interest at 10-15p higher on barley kept values steedy initially; sellers above the market halted any further railly, and values slowly seased back on some hedge and commercial selling. Values steadled after lunch on general buying interest at unchanged on the day, and values closed steady on wheat and barley, 10-20 up on wheat, and 25-35 up on barley, reports Acland

Yesterday + or Yesterday + or Minth close - close -
 Bept.
 96.05
 +0.15
 91.80
 +0.30

 Nov...
 98.70
 +0.10
 95.85
 +0.55

 Nov...
 103.05
 +0.25
 +0.26

 Mar.
 107.00
 +0.10
 103.05
 +0.25

 May.
 110.40
 |+0.20
 106.30
 +0.25

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, Aug. 97.75, Sept. 99.50, Oct. 100.50 transhipment East Coast. U.S. Hard Winter, 13³2 per cent, July 91.00 transhipment East Coast. English Feed tob Sept. 100, Oct. 102.50, Oct. -Dec. 103.50 East Coast. Maize: Franch July 123.00 transhipment East Coast. S. Alrices Vallow July-Aug. 80.00. Ratley: Alrican Yellow July-Aug. 80.00. Barley: English Feed fob Sept. 94.50, Oct. 97.25, Oct.-Dec. 99.50 East Coast. Rest

Kerb: Standard, three months £7,150, 52, 51.

LEAD—Easier. Forward metal fell from E348 on the serily per-market 10 around £342.5 on the morning kerb following the weakness of gold, silver and copper. In the alternoon the market held steady around this level and closed the late kerb at £341.5 but lost further ground in the after-hours trading when the price was quoted around the £338 level. Turnover; 66,775

to offer cocos on a scale-up basis and may have recorded light sales at the helght of the after-noon. Consumers, however, declined to follow the rally, reported Gill and Duffus.

**Roc. 1 Yest'rdays Previous Business Done

Close - Done

COCOA

COCOA

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**Light of the after-noon. Consumers, however, declined to follow the rally, reported Gill and Duffus.

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* Apr-Jne38,71-58,80 57,00-67,20 65,80-85,40 lly.-Sept83,20-68,40 89,50-88,60 88,40-88,30 Oct-Dec71,60-71,70 72,00-72,10 71,80-71,70 Jan-Mar 74,20-74,30 74,80-74,70 74,50-74,50 Apl-June 76,80-77,00 77,50-77,50 Sales: 316 (488) lots of 15 tonnes nil et 5 tonnes.

Physical closing prices (buyer) were: Spot 56.25p (57.00p); Aug. 61.00p (61.25p); Sept. 61.00p (61.25p).

SOYABEAN MEAL The London market opened with gains of £2.00-£3.00 over continuing concern of persistent hot, dry weather in U.S. growing areas, reports T. G. Roddick. Commercial and commission house buying met limited offers, and kept prices firm, and by mid-strenton prices made limited advance of £5.00. On reopening, cash buying interest hald occase. reopening, cash buying interest prices firm and the market

finished wit	th gains o	f £6.0	0.
	Yest rday Close	+or	Business Done
October December. February April	117.30-17.6 121.00-21.3 124.08-24.6	+ 6.65 + 5.65 + 5.85 + 6.10 + 6.05 + 5.40	121, 10-18,50 124,80-21,09 125,50-24,00

Sales: 284 (184) lots of 5 tonnes.

LONDON DAILY PRICE (raw sugar): 5262.00 (£235.00) a tonne cil for July-Aug. shipment. White sugar daily price was £305.00 (£285.00). Reports of extensive damage to the best crop in Poland caused by flooding encouraged buying interest, and the encouraged buying interast, and the market opened some £8 above pre-weekend levels, and further gains of some £7 were quickly recorded before heavier offerings blunted the advance. Thereafter, prices were contained within a narrow range throughout the day, reports C. Czarnikow.

£ per tonne Sales: 5,217 (10,296) lots of 50

Ibnnes. No. 2 CONTRACT—Close (in orde huyer, seller, business, sales): Aug. 286.00, 287.00, 295.00-286.00, 593; Oct. 308.75, 309.00, 315.00-286.00, 2,101. Sales: 2,694 (5,524). Tate and Lyle ex-refinery price for granulated basis white sugar was £342.80 (same) a tonne for home trade E342.80 (same) a tonne for nome trade and £352.50 (£355.50) for export. International Sugar Agreement (U.S. cents per pound lob and stowed Caribbean port). Prices for July 11: Daily price £3.46 (28.41); 15-day average 29.61 (20.25).

WOOL FUTURES

PRICE CHANGES

	July 15 1980	+ <u>o</u> r	Month ago
Metals Aluminium Free Mkt	Q 1700 - 1740		£810/815 81685/65
Copper	£908.5 £931.25 £886.25	, 3,5 2,5 +1,75	£835 £855.5 £808
5 mths Gold troy oz Lead Cash 5 mnths., Nickel	\$644.5 £353.76 £343.75	+0,5 -25 -3 -0,5	\$595 £310 £318,25
Freemkt (elf (i Platin'mtr'y o Free mkt	b,280,310c z,£182,50 .,.£283,85		270/500c £182.50 £270.15
Silver troy oz. 5 mths	668.95p 695.75p	-13,50 -13,30	683,55p 710,80p
3 mths Fungsten22,81			17,310 5141,72

÷10 5650u Coconut (Phili. 8655 Linseed Crude.i£410 Palm Maiayan.|\$550s +15 8440 Copra Philip..., \$460 » Soyabean(U.S.): Grains | Barley Futures £95,85 +0,38 £95,60

Other

u July-Aug. s Sept. w Aug. x July. z Indicator. § Buyer. ‡ Per 276-lb

tailing off due to imminent holiday closures. BREDS—Close (in order buyer, soller, business, seles). New Zealand cents per kilo. Aug. 360, 360, nii, nii; Oct. 364, 368, 364, 1; Dec. 366, 370, 366, 1; Jan. 367, 370, nii, nii; March 370, 374, 373-371, 18; May 372, 377, 377-371, 19;

COTTON

LIVERPOOL—Spot and shipment sales amounted to 110 tonnes. Small off-take continued with most buyers operating on a quiot scale. Interest ranged over numerous American-type growths, alough actual transactions were confined to limited weights in POTATOES LONDON POTATO FUTURES-The

market opened 30-50 up, but lack of follow-through by buyers led to prices falling to 120-140 down by lunch. Some buying interest was apparent during afternoon session, but without

looking very weak, reported Coley, and Harper. Closing prices: Nov. 42.70, -160 (high 44.60, low 42.80); Feb. 49.00, -210 (high 51.10, low 49.00); April 58.30, -200 (high 58.50, low 56.30). Tumpver: 75 (45) Jots of 40

TEA AUCTION

LONDON TEA AUCTION

LONDON TEA AUCTION

packages were offered at yesterday's auction. Assams limited inquiry. 5pr to 10p lower, with brighter East African

Spanish: 6.20-6.60; Texan: 7.50; French: 6.00; Moroccean: 6.00. Potatoes—Cypriot: New crop 20 kg 4.00; Jersey: 4.40. Bestroots—Cypriot: New crop, approx. 28 lb 1.50. Cabbages—Dutch: White 2.60-3.20. Courgettes—French: Per pound 0.20-0.22. Capsicums—Dutch: 3.60; Italian; 3.00; Spanish: 3.00

EUROPEAN MARKETS

ROTTERDAM, July 14.

Wheat—U,S. No. 2 Dark Hard Winter.
13.5 per cent. July \$205. U.S. No. 2
Red Winter July \$183, Aug. \$185, Sept.
\$188. U.S. No. 2 Northern Spring, 14
per cent. July \$216, Aug. \$213. Sept.
\$218, Oct. \$218.50. Nov. \$221.50, Dec.
\$230. Rest unquoted.
Malze—July \$153, Aug. \$152.50, Sept.
\$154.50. Oct.-Dec. \$160, Jan.-March
\$167.
Sweethers—"Yes."

Soyabeans-U.S. Two Yellow Gulf- Markets closed.

INDICES DOW JONES Dow July July Month Year Jones 11 10 age age FINANCIAL TIMES July 11 July 10 Math ago Year ago Spot J 414.28 409.96431.79408.80 Ftur s 437.41 430.22446.79420.78 872.20 270.10 264.92 292.58 (Average 1924-25-26-100) (Base: July 1, 1952-100) REUTERS MOODY'S July 11 July 10 M'nth ago Year ago July 14 July 11 M'nth ago Year ago

deater, and Central Africans tending lower. Caylons were dearer, and South Indians firm to dearer. Quotations: Quality 150p per kilo (150p), Medium 90p per kilo (97p), Plain 70p per kilo (77p).

1160,3 1166,8 1138,7 1088,5 (December 31, 1931 = 100)

MEAT/VEGETABLES SMITHFIELD—Pence per pound. Beef: Scottish killed sides 63.5 to 67.8; Ulster hindquerters 75.5 to 79.0, forequerters 43.0 to 44.5; Eine hindquerters 74.3 to 77.5, forequerters 41.5 to 43.8. to 77.5, forequeriers 41.5 to 43.8. Weel: Dutch hinds and ends 97.0 to 100.0. Lamb: English small 61.8 to 66.0, medium 59.3 to 63.5, heavy 56.5 to 61.0. Imported frozen: NZ PL 61.8 to 62.0, PM 57.2 to 58.5. Park: English, under 100 th 40.0 to 49.8; 100-120 th 40.0 to 47.3, 120-160 lb 38.5 to 45.8.

MEAT COMMISSION-Average fatstock prices at representative markets on July 14. GB cattle 76.45p per kg lw (-1.89): UK sheep 133.56p per kg est dcw (-10.14); GB pigs 66.04p per kg lw (-0.72).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Brazilian: Nevels 3.30-4.00; Moroccan; 54/113's 3.60-4.20; Cypriot: Valencia Letas 3.60-4.50. Californian Sunivativalencia Latas 72/113's 4.50-5.90; Outspan: Navals 3.40-4.95. Lemons—Italian: 100/150's 4.60-5.00; Sp8nio; Trays 25/45's 1.80-2.40, boxes 4.50-5.30. Grapefruits—Outspan: 4.00-4.95. Applas—New Zealand: Red Dougherty 12.00. Sturmer Pippins 10.40-11.00; Tasmanian: Sturmer Pippins 10.40-11.00; Tasmanian: Sturmer Pippins 10.40-11.80; Granny Smith 11.20-11.80; Dutch: 22 lb Golden Delicious 4.00; French: 40 lb Granny Smith 11.20-11.80; Dutch: 22 lb Golden Delicious 4.00; French: 40 lb boxes, Golden Delicious 138/188's 9.00-11.00, 20 lb 4.80-5.70; Italian: Jonathans/Romes 40 lb 9.00-9.50. Paars—Spanish: Morentini per pound 0.25; Victorian: Josephines 12.00, Packhams 15.00; Chilean: Winter Nelis 10.00; French: Guyot per pound 0.30, Pasches—Italian: 1½ trays 1.80-4.00; French: 2.00-2.20. Plums—Spanish; Rad 2.50-2.80. Veiling 130 Gaunts Fronch: 2.00-2.20. Plum9—Spenish;
Red 2.50-2.60, Yellow 1.30, Gaviota
trays 16 ib 3.00-3.60, boxes 2.20-2.80,
Burbanks boxes 1.80-2.00; Italian;
Florentias 20 ib 2.00. Apricots—
Spenish: 3.00-3.40; Greek: 4.80, Grapes
—Cypriot: Per pound Cardinal 0.50,
Perfette 0.60, Sufrana 0.80; Portuguese;
Continal 0.50 Periette 0.50, Sultana 0.80; Portuguese:
Cardinal 0.50; Israeli: Periette per box
5.40. Melons—Israeli: Golia 4.00;
Spanish: Marina 5/6's 2.40, Ogen 3.504 0?) Galia 3.50, Yeltow 10 kg 3.003.80. Water-Melons—Spanish: 3.00;
Italien: 3.50. Bananas—Jamaican:
28 lb. per pound 0.17. Tomatoes—
Dutch: 3.30-3.40; Guernsey: 3.00-3.40;
Jersey: 3 20: French: 2.80. Onions—
Spanish: 6.20-6.60; Texan: 7.50; French:
6.00: Moroccen: 6.00. Potatoes—

and the state of t

English Produce: Potatoes—Per bag, new 2,20-2,50. Mushrooms—Per pound 0,60-0,70. Apples—Per pound Bramley 0,15-0,24. Strawbernies—English per half-pound 0,20-0,25. Cabbages—Per hag 1,00. Cauliflowers—Per 12's English 2,20-2,60. Peas—Per pound 0,15-0,17. Broad Beans—Per pound 0,09-0 10. Bestroots—Per bag 1,80. Tomatoes—Per 12 b 3,00-3,20. Lettuce—Per pound round 0,60, Cos 1,00, Webbs 1,00. Carrots—New crop 23 lb 2,80-3 30. Rubasrbs—Per pound outdoor 0,05-0,07. Onlons—Per bag 5 50,600. Calsry—English 12/30's 1,50-1,60. Gooseberies—Per pound 0,13-0,15. Levellers 0,25-0,35. Cherries—Per pound 0,50-0,60. Marrows—Each 0,25. Capsicums—Per pound 0,30.

1676.4 1657.8 1672.0 1561.2

(Base: September 18, 1931 ≈ 100)

GRIMSBY FISH — Supply poor, demand good, Prices at ship's side (unprocessed) per stone: Shelf cod (4.50-55.40, codlings (3.00-65.80; Haddock, medium £4.00-64.50, smell \$2.80-53.20; Plaice, large £4.80-55.20, medium £4.50-55.30, best small £2.80-64.00; Skinned dogfish, large £8.00, medium £4.80; Lemon soles, large £6.50, medium £6.00.

Coffee producers maintain ban

Coffe producers from the five Central American countries plus Mexico and Venezuela. agreed yesterday to maintain indefinitely their suspension of export registrations until world

coffee prices rise again.

A statement from the producers at the end of a two-day meeting here said they made their decision after considering current market conditions and what they said was an extremely low stock of coffee held by exporters.

The suspensions followed a siriilar move by Brazil 11 days

The producers said re-opening of registrations would be carried out jointly.

Thry also discussed joint coffee policy for the rest of the 1979-80 year and for 1980-81. But delegates declined to say whether they had agreed on a minimum price strategy.

No extension of Friday's late optimism and equities fall back under lead of ICI-Gilt-edged also easier

*First Declara- Last Account Dealings tions Dealings Day June 30 July 10 July 11 July 21 July 14 July 24 July 25 Aug. 4 July 28 Aug. 7 Aug. 8 Aug. 18 "New time" dealings may take place from 9 am two business days

The deteriorating position of OK industry highlighted in the weekend Press thoroughly doused market optimism which had revived quite suddenly in London stock markets late last Friday. The two main investment sections opened firmly enough with some longer-dated Government stocks soon around higher, partially reflecting relief that the authorities had decided not to issue a new long tap stock last Friday—only a special low-coupon short tap was announced. announced.

Despite continuing hopes further early reduction in a mum Lending Rate, investm support on any scale was drawn and quotations began to

Land Secs. Land Secs. Land Secs. Marks & Sp Shell

slip back with Discount House selling tending to outweigh demand. The outcome was that the longs closed fractionally of Thursday's half-yearly state-played losses ranging to 2 among selected low-coupon issues. After the official close of business, revived small interest led to a slightly firmer tone and the falls at both ends of the market were at the start, the file bid market. After last the market. After last the market. After last the market. After last the market. After last the market were sequilities using of 33. House before at the start, the Electrical leaders drifted bid back to close without much alteration on the day. GEC to be about the follows at the company's side bid worth 240p per share the Kusait Investment support in the file bid bid worth 240p per share the Kusait Investment support the week's specu

Awaiting the opening of the Gilt-edged market, leading shares marked time with the exception of ICI and the Oil sector. Further adverse com-

Was	anected and, with his pi
	ance dimmed by ICI's fal
of a	to 368p, the FT 30-share
Mini-	ended 3.3 down on bala
nent	489.7 after having recor
not	marginal improvement
- 10	10.00 nm

LONDON TRADED OPTIONS

Vol. Closing Vol.

Oct.

July

August

ment following-up a broker's bearish circular upset the latter and ICI, dealers in which spoke of seeing frequent sales of employees' shares. General sentiment in equities became affected and, with its performance dimmed by ICI's fall of 16 to 368p, the FT 30-share index anded 3.3 down on halance at	Csilia charles
ance dimmed by ICI's fall of 16 to 368p, the FT 30-share index ended 3.3 down on balance at 489.7 after having recorded a marginal improvement at	THE STATE OF
10.00 am.	5 13

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House of Fraser up

House of Fraser came in for closed 4 better at 132p. after 134p; Lonrho, which holds a near-30 per cent stake in Frasers announce interim results on Thursday. Elsewhere in Stores, to 138p and Metal Closures put for yesterday. Further offerings on 6 to 99p. LRC improved 2 to after last Friday's setback found response to Press comment and Bambers improved 4 to 47p for a similar reason. Elys (Wimble buyers to umbreila manufacturer were outstanding with a fall of

played losses ranging to 2 among selected low-coupon issues. After the official close of business, revived small interest led to a slightly firmer tone and the falls at both ends of the market were about the falls at both ends of the market were settling at 91p compared with the planing price of 384p. the placing price of 384p.

Banks quietly firm

The major clearing banks got the week off to a quietly firm start. Lloyds, which begin the interim dividend season friday, hardened a penny to 33Sp, after 340p. NatWest put on 3 to 375p and Midland edged forward a couple of pence to 370p. In firm merchant banks, publicity given to a broker's outlish circular helped Hill samuel advance 4 to 135p. Manson Finance also rose 4, to 40p. Elsewhere, FNFC found support at 211p, up 11, while the appearance of a small buyer in a estricted market was enough to lift Bank Leumi (UK) 30 to 150p.

Breweries trended easier in uiet trading. Allied, 87p. and ass, 233p, both closing a shade

er shares highlighted an subdued Building Montague L. Meyer's red 3 to 96p on the satis-y preliminary results. ational revived with a gain it 107p, while Magnet and ras, annual results today, ed a couple of pence to Elsewhere, William Whitn added 4 to 117p, while nent demand in a thin lifted J. Jarvis 9 to 117p. ahead of today's annual left H.A.T. Group 1 at 37 p. Tarmac became able casualty among the s, failing 10 to 247ping the dull Oil sector. ngs in the shares of Bioemicals resumed at 142p ed with the suspension of 100p following the 150p per share cash bid Laporte, a penny off at Anchor Chemical shed 2

Rank Org. disappoints Having been supported up to 198p ahead of the interim results, Rank Organisation fell

on 13 to 625p and fresh demand lifted Farnell 11 further to 335p.

jump of 23 to 1389 in Williams and James gave rise to bid talk. Favourable Press mention stimu-lated buying interest in Brun-

tons (Musselburgh) which advanced 8 to 98p and Westland.

5 to the 200d at 103p. Scattered support lifted Matthew Hall 7 to 254p and United Engineering 6

to 140p. Aurora became a better

market and rallied 4 to 50p. while similar gains were marked against Desoutter, 118p. Howden.

1004p, and Spirax-Sarco, 166p, while Carlco responded to the preliminary figures with a rise

of 5 to 70p.
In Foods, Batleys of Yorkshire

added 41 to 50p xd in response to favourable Press comment.

Lockwoods hardened a counte of

pence to 54p, while Glass Glover, interim results on Thursday, improved a penny to 47p.

to touch 174p before closing a net 13 down on balance at 180p in reaction to first-half profits nearly £10m below expectations, subsidiary concern A. Kershaw dropped 40 to 285p in sympathy. Reckitt and Colman lacked sup-port and lost 10 to 202p and 62p. but Leigh Interests 10 to 172p as speculative Bowater declined 4 to 186p, but Turner and Newall revived with an improvement of 3 to 123p. Among secondary miscellaneous industrials. RTD jumped 71 to 14p following news of the 54p per share bid made by brokers Sinon and Coates on behalf of Mr. 14m Dyer and associates. Dobson Park Industries rose 5

cash bid worth 240p per share from the Kuwait Investment Office. Hay's Wharf were standing 3 better at 253p when dealings in the shares were suspended at the company's request pending an announcement. Vintea, however, gave up 4 to 150p following the reduced earnings and Johnson Matthey declined 17 to 365p. Spill 2 on balance at 446p but Plesser ended a shade cheaper at 208p. Elsewhere, Telephone Rentals reflected favourable Press comment by rising 10 to 263p, while Derritton improved 5 to 30p for a similar reason. Electrocomponents found support and put declined 17 to 365p. Still reflecting the recent disappointone interim
Board's

ing interim results and Board's warning about the annual outcome. Sotheby's lost 8 more to 450p. Profit-taking after alst week's advance left Tebbitt 14 easier at 364p. on 13 to 625p and ...

lifted Farnell 11 further to 335p.

Still reflecting bid hopes, Muirhead improved 4 more to 120p.

Other bright spots included AB Electronic, 172p, and Unitech, 323p, up 6 apiece.

Engineering leaders rarely previous

Engineering leaders rarely previous

Among Leisure issues, Warner Holldays A responded to the annual results with a gain of a penny at 47p. Coral improved a couple of pence to 63p.

Among Motor Components. Dowly remained firm and added 6 more to 228p. Dunlop, how-ever, lacked fresh support and eased 2 to 83p. Dealings in commercial vehicle concern Fodens were suspended at 23p. Dealines in down 2, at the company's request; the announcement that a Receiver is to be appointed came late in the evening. Garages featured Pennine which put on to 10p on speculative support following favourable Press comment. Healys hardened 2 to 80p and Tate of Leeds improved 3

Fresh duliness in Oils led to a fall of S to 305p in Associated Newspapers; the half-yearly results are due tomorrow. Pub-lishers William Collins met with support and improved 3 to 73p.

to 75p.

Secondary issues provided the focal points in Properties County and District came in for support and firmed 6 to 154p, while a Press mention helped Ewart New Northern add 5 to 195p. News that Britannia Arrow had in-creased its stake in the company to 10 per cent lifted Anglo Metropolitan 4 to 66p. Renewed speculative interest was shown in U.K. Property which put on 25 to a 1980 peak of 421p xd, while Regional A improved a couple of pence to 113p. Far-Eastern advices stimulated fresh London support for Swire Properties which rose 4 more to 68p.

Oils on offer again

Fears of further cuts in petrol prices following reports of a sizeable glut in crude oil supplies due to lower demand caused marked weakness in the Oil sec-

In mixed Overseas Traders, Paterson Zochonis added 10 to 285p and S. and W. Bertsford improved 4 to 166p. Lourino softened a peany to 116p ahead of Thursday's interim figures.

Trusts took on an irregular appearance. but movements were generally small. Rothschild, however, weakened 11 to 352p following the preliminary figures.

Golds easier

Mining markets began the new account in subdued trading with buyers deterred by a sharp decline in the bullion price— down \$25 at \$644.50 an ounce— following reports that the U.S. Treasury may resume selling gold.

Australians, and in particular the speculative issues, came under fairly heavy pressure from profit-taking both in overnight domestic markets and in London. Gold Mines of Kalgoorlie gave up 10 to 420p, Samantha 7 to 94p and Poseidon and Otter Exploration 6 apiece to 204p and 82p respectively. Western Mining, a major gold producer through its holding in Central Norseman, dropped 12 to 250p, after 248p.

The Ashton dlamond participants encountered renewed selling on further consideration of the recent quarterly report.

Conzinc Riotinto, the major
participant in the venture, fell 8
to 256p, Ashton Mining a like
amount to 116p and Northern
Mining 16 to 114p.

In the energy sector, Central Pacific Minerals eased a point to £32 and Southern Pacific Petroleum a 1 to £111, while Greenvale Mining closed 10 down on balance at 200p, having touched 220p in early trading. Strata Oil staged a late rally and closed only 2 cheaper on balance at 124p, after 120p, but Haoma dropped 10 to 186p and North West Mining 8 to 158p.

Trading in South African Golds fell to minimal levels.

Little selling pressure was reported but prices tended to drift throughout the day before steadying in the after-hours' trade on "cheap" buying. The Gold Mines index eased 1.6 to

FINANCIAL TIMES STOCK INDICES July 9 70.61 70.73 70.71 70.73 70.39 70.34 72.44 Government Secs. 72.05 71.95 71.92 71.65 71.56 71.43 73.95 Fixed interest.. 493.0 489.4 493.0 492.7 495.0 470.7 365.2 355.8 351.7 369.2 373.8 564.1 160.6 7.46 7.57 7.40 7.56 7.36 7.34 6.67 18.07 17.89 18.00 17.90 17.91 17.84 16.78 Ord, Div. Yleid Earnings, Yld; %'full) - 150,71; 167,71; 130,89; 211,34; 145,90; 55,12 - 20,863; 21,196; 20,306; Faulty furnover £m. Equity bargains total

10 am 493.5. 11 am 493.3. Noon 492.6. 1 pm 491.8 2 pm 491.8. 3 pm 491.6.

Latest Index 01-246 9026.

*N(1=6.23, Basis 100 Govt. Sets. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

Hie	GHS /	AND I	S.E. ACTIVITY				
	19 High	Low	Since Co	mpilat's		July 14	July 11
Govt Secs	70.73 (8/7) 72.05 (14.7)	63,85 (7/5) 64,70 (19/5)	127.4 (9/1/86) 150.4 (28/11/47)	49.18 (ā/1/75) 50.53	-Daily Gift Edged Industrials Speculative- Totals	114.3 129.9 49.7 87.2	122.5 135.6 40.6 92.3
Ind. Ord Gold Mines	495,0 (7/7) 377,9 (28/2)	406.9 (3/1) 265.5 (18,5)	442.3	49.4 (26:6/40; 43.5 (26:10:71)	5-day Av;ge. Gilt Edged. Industrials. Speculative. Totals	124_3 141.8 50,3 95,4	126.7 144.3 54.0 97.3

Saainlaas, Welkom and Western Holdings following details of the new gold/uranium mine at Erf-Free State Saziplass closed at 375p, compared with a pre-suspension 365p, Welkom at 748p, compared with 764p and Western Holdings at £31; compared with

Financials staged a broad retreat on persistent profit-taking. Charter dipped 10 10 224p, Gold Fields 8 to 532p and RTZ and Tanks 6 apiece to 454p and 334p

OPTIONS

Deal- Declara- Settleing ing tion ment Jul. 7 Jul. 18 Oct. 9 Oct. 20 Jul 21 Aug. 1 Oct 23 Nov. 3 Aug. 4 Aug. 15 Nov. 6 Nov. 17

For rate indications see end of Share Information Service

Cooper, Norfolk Capital, Lourho, Berkeley Exploration Otter Exploration, Carless Capel, First National Finance. Group, Coral Leisure, Hampton Trust. Woodside. Associated Engineering, ICL, BSG Interna-tional and John Brown. Puts were arranged in Tebbitt Group, Spencer (G.) Dealings resumed in Free State First Ntaional Finance, Premier

Consolidated, Thorn EMI, Berkeley Exploration and Racal, while double options were transacted in Airfix and Wood-

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share (information Service yesterd attained new Highs and Lows for 1980. NEW HIGHS (102)

NEW HIGHS (102)

BRITISH FUNDS (2)
CORPORATION LOANS (6)
COMWEALTH & AFRICAN LOANS (1)
FOREIGN RONDS (1)
AMERICANS (2)
BUILDINGS (3)
CHEMICALS (1)
DRAPERY 6 STORES (2)
ELECTRICALS (8)
ENGINEERING (6)
FOODS (1)
INDUSTRIALS (11)
INSURANCE (2)
MOTORS (2)
PROPERTY (18)
SMIPPING (4)
TEXTILES (3)
OVERSEAS TRADERS (5)
MINES (4)

NOTHER OWNERS

NEW LOWS (25)

BUILDINGS (1) Money was given for the call of Dunlop, Hambro Life, Archor Chem. Fisons Yorks. Chems. Sovereign Oil and Gas, Lee Goodman Bros. Strongs (2) Goodman Bros. Electricals (1) CHEMICALS (4) ENGINEERING (2) Cohen (A.) Dennis (J. H.)
INDUSTRIALS 161
Dunhiti (Alfred) Mores (Roberti
(UKO Int.
Lapssale Universal United Guarantee
MOTOS (3)
Appleyard Gunbeld Lawrence

NEWSPAPERS (2) TEXTILES (2)

FT-ACTUARIES SHARE INDICES

277p

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

		#N			DI ACU	M (5)	, -		,		
	EQUITY GROUPS	M	lon., J	laly 1	4, 198	Ō	Fri., July 11	Thurs. July 10	, Wed., July 9	Tues., July 8	Year ago (approx.
Figo	& SUB-SECTIONS res in parentheses show mamber of stocks per section	Index No.	Day's Change	Est Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Index No.	index No.	Index No.	index No.
		10000					1 ~~~~		1 277 65	1	1
1	CAPITAL COODS(172) Building Materials (28)	272.16 257.37	+0.1	17.00 17.62	6.61	7.13 6.67	271.95 257.97	272.64			239.99
2	Contracting, Construction(27)	405.51	-0.2	22.76	6.04	5.24	406.64	403.85			357.33
4	Electricals (16)	759.50	+0.2	13.01	3.44	9.53	757.95	759.60			580.36
5	Engineering Contractors (11)	329,94	+0.8	20.58	7.85	6.09	327.21	328,91	325.24	322,44	376.73
6	Mechanical Engineering (74)	189.46	+0.5	17.70	7.32	6.92	179.50	150.17	179.47	179.46	174.03
8	Metals and Metal Forming(26)	268.22	-0.7	21.51	20.20	5.57	169.32	170.81	171.52	177.52	165.63
n İ	(DURABLE) (49)	229.82	+0.2	14.46	5.76	8.36	229.38	228.73	228.28	228.19	226.22
12	LL Electronics, Radio, TV(14)	342.28	+0.6	11.32	4.12	10.93	349.23	338.92		337.96	311.12
13	Household Goods (14)	102.39	+0.6	23.67	10.32	5.33	101.81	102.16		103.46	157.00
14	Motors and Distributors (21)	101.69	-13	22.55	10,01	513	302.99	162.81	103.34	192.37	113,74
21	(NON DURABLES) (172)	235.29	0.3	17.42	6.80	6.93	237,02	237.78			231.18
22	Breweries (14)	300.93	-12	15.04	6.12	7.76	304.48	304.29		306.45	27132
3	Wines and Spirits (5)	317.33	-0.3	17.17	5.89	7.38	317.73	329.09		322.92	306.77
4	Entertainment, Catering (17)	342.30	-0.2	16.87	6.53	7.35	342.90	35.93			305.95
25	Food Manufacturers(21)	216.66	+0.9	18.55 12.78	6.88 4.80	6.35 9.34	21A.77 323.15	226.36 330.48		275.99	201.90
25	Food RetalRng(13)	329.50 440.97	+0.4 I.0	21.65	6.63	6.24	4654	452.81		339 JA 452 75	672.30
32 33	Newspapers, Publishing (13)	137.86	-0.2	25.92	9.50	4.48	133.11	136.52		135.74	323.10
-	Stores (42)	224.17	-0.7	13.71	5.50	9.40	225.75	225.30		226.40	239.00
3	Textiles(24)	140.52	+0.5	23.25	11.05	5.24	139.58	140.24			157.13
<u>~</u>	Tobaccos (3)	223.41	-13	25.69	10.42	4.43	225,37	229.25		239.09	234.38
57	Toys and Games(5)	27.84	+25	43,58	13.70	2.65	27.15	27.30		27.24	64.48
27	OTHER GROUPS (99)	223.83	-13	16.60	6.88	7.16	225,36	227.51		227.83	199.27
42	Chemicals (16)	313.64 228.88	-28 -15	19,78 11.06	7.68	5.79 11.18	322.63 232.44	322.83 229.87		224.65 231.93	275.62
3	Pharmaceutical Products (7)	107.80	-3.9	20.29	7.70	5.66	112 19	113.16		114.32	122.04
44 45	Office Equipment (6)	595.07	+8.8	22.98	5.93	9.45	570.53	528.34			463.76
46	Miscelianeous (60)	275.82	+0.1	16.46	6.61	7.44	275.56	277.13		277.72	238.03
49	INDUSTRIAL GROUP (492)	249.41	-0.4	16,90	6.54	7.12	250.45	252.64			23234
51	Oils (8)	784.74		29.43	6.56	3.75	790.98	777.63			540.70
夣	500 SHARE INDEX	291.89		19.44	654	6.03	243.34	274.26			24.37
ίί	FINANCIAL EROUP (118)	223.76		 	5.49		223.24	228.78			19139
62	Banks(6)	241.25	+0,4	40.44	6.74	3.03	240.21	239.94		237.54	244.27
63	Discount Houses (10)	269.54	-0.4	(—	6.58	-	270.62	270,47		270.48	₹2273
64	Hire Purchase (5)	238.39	+0.1	13.11	4.20	9.91	239.17	231,49		255.11	163.52
65	Insurance (Life) (10)	223.84 152.76	+0.5	-	5.69 7.04		222.64 152.78	223.17 153.27			151.87 121.33
66 67	Insurance (Composite) (9)	334.46	+0.8	13.89	6.84	9.59	337.97	334.70			240.57
62 62	Merchant Banks (13)	131.41	-02	23.07	5.13	7.07	151.61	133.62			77.57
69	Property (45)	425.64	+0.1	3.30	2.72	42.69	425.26	425.13		426.23	348.79
70	Miscellaneous (11)	139.13	+0.2	25.79	6.27	8.04	138.80	139.22		138.19	121.83
71	Investment Trusts (109)	257.26	-0.5	 	5.50		258.50	251.12	23133	2251	25.5
81	Mining Finance (4)	249.51	-14	11.21	4.10	10,76	241.34	244,69		247.76	115.78
91	Overseas Traders (19)	407.06	+0.5	12.04	6.88	10.10	404.88	405.24	,	405.65	331.71
99	ALL-SHARE INDEX(750)	279.06	-9.4	1 =	6.22	· -	230.59	250.00	251.98	252.14	245.72
_				1		CED INT	FDFT	T	[
	FIXED INTEREST PRICE	INDICE		- 1	-	YIELI YELI		- {	Mon., July	Fri.,	7 <i>637</i> 300
	LIVER INITAGO LAIRE	·4416	•	Į	British		Gross Re	4	14	11	(200m)z.)
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_	FIXED INT	FIXED INTEREST YIELDS British Govl. Av. Gross Red.			Men., July 14	Fri., July	Year ago (approx.)				
	British Government	Mon., July 14	Day's change	nd adj. today	ad adj. 1980 to date	1 2 3		5 years		11.46 71.42 11.42	10.57 10.52 11.27
1	Under 5 years.	106.21 113.46	-910 -012	0.32	5.5% 6.77	4 5 6	Medium Coupons	5 years	12.95	12% 12% 12%	12.36 12.38 12.33
3	5-15 years	112.69	-0.11	-	739	7 8	High	5 years 15 years	13,16 13,32	13.65 13.30	72.63 12.71
4 5	Ali stocks	131.74 112.43	-026 -011	9.11	7.24 6.51	10	irredeemables.	25 years	13.22 11.15	13.20	12.65
_•			10		14 Fr	iy ·	Thurs. Wed	d. Tues Mon y July July 8 7	Friday	Thurs. July 3	Year ago

										— —
	0-yr. Red. Deb & Loans (15)									
16 I	nvestment Trust Prefs. (15)	49.71 13.63	49.71	49,97	49,97	49,97	49,97	49,97	49.52	52.16
17 (0	oml, and Indi, Prefs. (20)	65.25 13.76	65.25	65.06	64.67	64.61	64.50	64,42	64.46	70.06

nnon Street, Landon, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

De:	enimon	of	Closing price (p)	Change	1980	1980
Stock	tion	marks		on day	high	low
LASMO Energy Cap. New ICI Ultramar Premier Cons. Charter Cons. Hampton Trust. RTZ Allied Brews. Shell Transp. Tricentrol Barciays Bank BP European Ferries GEC	25p 121p £1 25p 5p 5p 25p 25p 25p 25p 25p 25p 25p 25	17 13 11 10 8 7 7 7 6 6 6 5 5 5	735 91 368 332 92 224 56 454 87 408 350 402 346 1884 446	-30 -16 -12 -14 -13 -13 -13 -12 -28 -22 ++2	830 100 402 384 109 234 61 485 89 412 414 408 412 189 452	337 \$5 34S 306 391 134 15 327 68 314 250 327 320 328 326

RECENT ISSUES

EQUITIES

issue Price p:	Amount Paid Up Latent Remuna	1980 High Low	Closing Price Pric	Gross Yiaid Yiaid Ratio
:38: 55 '63	F.P. — F.P. 27.6	90 74		11.6 5.2
:B0	F.P	110 91 112 106		9.9.4,5

FIXED INTEREST STOCKS

Issue 25	Amount Paid Up	Rounds Date	19 High	80 Low	! · Stock	Olosing Prios K	+ or
11	F.P.	22,8	101	95	British Home Stores 9% Cnv. Ln. '92 Cowie (T.: 1012% Conv. Red. Cum. Pref	95	·
100	F.P.		10312	1017a 631g	Daiei 81-2 Cony. Bds. due 1995	1031 ₂	
·	F.P.	4.9 B:8	.102	102	North Surrey Water 10pc Pref. 1985 Outwich 10% Pref	102	<i>;</i> ,
٠	rio	29:8	. 13%	1314	Sunderlid & S.Shields Wtr 51 2 Rd.Frf. 1586	151	i

"RIGHTS" OFFERS

Issue Price	53 . Re	itest nunc. Jate	19	80	: Stock	100 to 000 + or	
p:	Fage •		High .	Low		음 문 문 문 문 문 문 문 문 문 문 문 문 문 문 문 문 문 문 문	<u> </u>
103 132 115 100 55 100 55 50 54 626 118 126 50 118 50 608	F.P. 2377 F.P. 2377 F.P. 278 No. 278 No. 278 F.P. 1566 F.P. 1566 F.P. 1566 F.P. 1566 F.P. 1566 R.P. 227 F.P. No. 287 F.P.	5.8 18:7 20:8 15:8 18:7 8:8 26:8	20pm 18pm 42pm 41pm 65 6821 48 20pm 356 155pm 43pm	14pm 124 110pm 16pm 31pm 645 645 112pm 124pm 127pm 127pm		36pm 64 675 47 19pm 355 162 163pm	+4 -1pm -3pm -5pm +1 +1
1212	NII :31:7	,26.8	, 1pm;	12 pm	Thurgar Bardex	1pm	+ipm

Renunciation date usually last day for dealing free of stomp duty. It Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on provious year's earnings. F Dividend and viold based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. I Caver allows for conversion of shares not now ranking for dividend or ranking any for restricted dividends. § Placing price to public. pt Penca unless otherwise indicated. § Issued by tender. § Official to holders of ordinary shares as a matter of the properties of properties. § Senting of Senting of Connection with reorganisation, merger or takeover. It introduction. [] Issued to former proteinness holders. § Allotment letters (or fully-paid). © Provisional or parity-gold allotment letters. § Vith warrants. It Unlisted security. It issued as units Comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. I Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

M.V. Interbelseer P.O. Box 526, Delit, Holland Emerada (Iss. Price).| F54,74 |-0.27| 0.37 Keyser Ulimann Ltd. 25, Milk Street, ECZY &JE.

Murray, Johnstone (Inv. Adviser)

163, Hope St., Giespon, C2.

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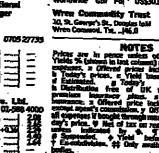
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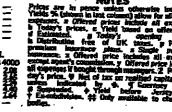
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UNIT TRUST INFORMATION SERVICE

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Officials oppose aircraft purchase

THE TOP Defence Ministry civil servant is believed to have warned Ministers that if they buy British aircraft for the RAF in preference to cheaper American ones, he may ask to be dissociated from responsibility for the

The decision to buy 14 British Jetstreams from British Aerospace could involve a total expenditure of £16m in 1982, instead of the £11m similar U.S. planes would cost now. The Prime Minister and other senior Ministers have argued that the extra cost is justified by wider economic considerations.

In what is seen as Minis-try's final attempt to get the planes it wants, Sir Frank Cooper, the Permanent Under-Secretary at Defence, has apparently indicated that he may seek a "written direction" from Mr. Francis Pym, the Defence Secretary. This would say that Ministers knew the decision could not be justified in purely finan-cial terms and was influenced by political considerations.

Provision for such Mini-sterial directions is made under the procedures of the Public Accounts Committee which scrutinises public spending and monitors departmental spending.

The fact that Sir Frank should apparently be consider-ing revorting to it indicates the strength of feeling in the Ministry.
The RAP told the Ministry

earlier this year that it wanted to replace its existing fleet of light communication aircraft with the U.S.-made Beechcraft Super King Air 200. Officials thought then that this order could be placed within the Ministry's budget.

They argued that the U.S.

By David Lascelles in New York

THE Chrysler Loan Guarantee

Board, the Federal Body author-

ised to deal out Federal Aid to

tees. So far the car maker has drawn \$500m of the total \$1.50n

Although the precise sum re-

quested by Chrysler this time

was not known yesterday, the company has said that it expects

to ned about \$250-\$300m more

by the end of this year, by which

time it hopes to be profitable

However, Chrysler's expecta-

tions were contradicted by Mr.

G. William Miller, the U.S.

more than Chrysler estimated,

and the highest estimate yet by an Administration official of Mr.

Miller's seniority.
But he reaffirmed his belief

that Chrysler will eventually

Chrysler's own recovery plan

foresees a return to profitability

by the end of this year, largely

because of the expected boost

in earnings from its new K

with some scepticism in Wall

Street, where analysts expect the company to register a loss

close to \$1bn, even if earnings

David Buchan in Washington writes: U.S. Treasury Secretary,

Mr. Miller, who attended a weekend meeting of President

not to rush into an early tax cut

proposal. But it is not only

election campaign pressures

that might force Mr. Carter's hand before that date. Some

improve in the final quarter.

authorised by Congress.

Chrysler

to seek

further

funds

plane was a better buy than the Jetstream, which they argued was more expensive and not available for another two years, when the defence budget was under even greater strains.

ments argued that the order was essential to the development of Jetstream—and that many jobs in Scotland depended on the project.

The order eventually went to a Cabinet committee where Mrs. Thatcher apparently argued strongly that the order should got to British

The assumption then was that the order would definitely go to British Aerospace. Ministers have been waiting to hear that the order has been placed—but all they have heard is more about the objections which officials have objections which officials have to the British aircraft.



Sir Frank: Making clear the Ministry of Defence opposition to proposed aircraft pur-

Pension funds defy Murdoch

THE Electricity Council pension against the offer and will urge funds have launched an independent campaign to prevent con-trol of News International passing to News Corporation, Mr. Rupert Murdoch's Austrathe ailing motor company, mets again today to consider the next stage in the Chrysler rescue lian master company. News International publishes the Sun and News of the World news-The main item on the agenda is expected to be Chrysler's application for the second tranche of Federal Loan Guaran-

The electricity funds have been without their two senior investment managers since Mr. Alan Urwin and Mr. Bill Lunn were suspended in February pending an investigation into a long-term property investment.

The funds stated yesterday that Mr. Murdoch's offer to absorb News International was generally unsatisfactory and does not adequately reflect the value of the assets of News International."

The Funds, which are the largest non-family shareholders of News International with 3.16 per cent, will be voting

other shareholders to follow

needed to prevent the deal going through. News Corpora-tion is prevented from voting its own 49.9 per cent holding. and the deal requires 75 per cent of the other shareholders to approve it. The council funds own 1.255m of the 39.8m shares in issue.

Other institutional share-holders are unlikely to follow the electricity funds' lead. Some half dozen have already indicated that they will accept the deal, and yesterday other signifi-cant holders said that they would also accept.

Hambros Bank, which is advising News International, said: "We have canvassed the field fairly widely and we are not aware of any other major the electricity funds.'

Treasury Secretary, who said that he expects Chrysler to need a total of \$1.1bn to \$1.2bn this year, several hundred million Continued from Page 1

Debt repayment

renegotiated the \$1.5bn Eurocurrency loan in August 1978 to lower the interest rate cost and extend the maturity between 1985 and 1988. As part of the plan to repay the credit prematurely between now and the end of 1980. total repayments of public sector debt over the next six months will amount to \$2.5hn, according to Treasury figures. Mr. Lawson made it clear that an important factor

Continues from Page 1

Carter's senior economic advisers in Jekyll Island, Gas prices Georgia, where the President is some of their competitors on

holidaying, said a tax cut plan for 1981 would not be aunounced before October. the continent. It says one reason for this is British Gas links its prices to the gas oil price, while most continental countries link their With the spotlight on Republicans in Detroit, President Carter is quietly working on his Administration's response to the industrial gas prices to the lower fuel oil price.

Republican tax-cutting plan a response that will become clearer when the mid-year The association says that British Gas's present supply and pricing policies for gas for budget review is unveiled on industry are "paradoxical and July 21. The President has preferred totally unacceptable."

The association is concerned to "press the case for all in-dustrial users of gas and does not seek special privileges for

the chemical sector."

The paper, based on a survey of 170 member companies, says customers had requests for new or additional gas supplies refused by British Gas last year. It estimates that these 99 companies alone will require an extra 120m therms of gas a year

Continued on Back Page Electricity reorganisation, Page 8

behind the decision to shed the foreign debt burden was the level of Britain's official reserves. These now stand at a record figure of more than \$28bn, bolstered in recent years by the revaluation of the UK's 710 tonnes of official gold reserves.

Government will not have to pay any penalties to the banks for making early repayment of the \$1.5bn borrowing.

The only other Euromarket credit raised directly by the Government — the \$2.5bn Government — the \$2.5bm borrowed in 1974 on slightly more costly terms, which ha a final maturity date in 1984 -cannot however be repaid without penalties until next year. This clearly gives the Treasury an option to make a further step to reduce official debt exposure in 1981. Details—Page 9

Weather

UK TODAY SHOWERS, sunny intervals.
London, E. W. Midlands, S.E.,
N.W., S.W., Cen. S. England,
N., S. Wales

Sunny periods, scattered showers, cool. Max. 18C (64F). Cen. N., N.E. England Showers, heavy in places, sunny intervals. Max. 15C (59F).

S.E., N.W. Scotland, Ulster, Borders Sunny intervals and scattered showers. Max. 16C (61F).
C. Highlands, N.E. Scotland Cloudy with showers, heavy in places. Max. 14C (57F).

Outlook: Dry, sunny intervals.

WORLDWIDE

Y'day

Y'day midday

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months away, however, partly because of differences over detail among the Nine and because an undertaking is needed from New Zealand to restrain voluntarily its lamb exports to the Community. Australian concern about the regime was voiced in Tokyo last week to Herr Wilhelm Hafer-kamp, the EEC Commissioner for External Relations, by Mr. Malcolm Fraser, the Australian Prime Minister, when both men were attending the memorial service for Mr. Masayoshi Ohira, former Japanese Premier. Mr. Haferkamp told a Press conference here yesterday that Mr. Fraser had said an Australian decision on the possible purchase of the European Airbus would have to be taken 'in the context of overall relations between the two sides."	Primary Industry, issued a tougher warning yesterday that	restraint is needed because, unless New Zealand's theoretical right to unlimited lamb exports to the EEC is waived, the costs to the Community of the new sheepmeat regime could ultimately be very large. Relatively inefficient lamb producers, notably in France, are unable to match New Zealand prices but will be guaranteed a higher price level from Brussels. Mr. Haferkamp also revealed that Japanese Ministers and officials stressed their desire in Tokyo last week for broader co-operation with the EEC on other matters, apart from trade. He thought this could be achieved through a new negotiating strategy which the Commission has outlined to EEC Governments. This would seek Japanese export restraint on a number of sensitive products as part of a broader package which would also provide for the gradual removal of quota restrictions imposed by some of the Nine on	Bercins. S 22 72 Madrid S	31247775746877591706PRGBGG584775788859226417847777898	
Meanwhile, Mr. Peter Nixon,	Its acceptance of voluntary	Japanese products.	S—Sunny. SI—Sleet. Sn—S	now.	ł

THE LEX COLUMN

Rank squeezed as Xerox falters

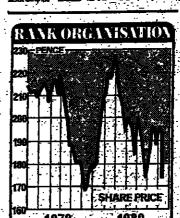
The City got the Rank Organisation's results wrong again, but whereas in January again, but whereas in January the analysts were too gloomy, yesterday's interim figures—with pre-tax profits down from £64.4m to £53.4m—were 10 per cent or more below expectations. Curiously Rank is not berating the analysts this time as it did six months ago with its complaint of "pessimistic City predictions." At least Rank is able to cast Rank Xerox, hit by sterling and by tougher comsterling and by tougher com-petition, as the main villain of the piece with profits some £11m lower at £54m before tax. But the Organisation's own trading performance is far from being in a heroic mould, with a non-Xerox loss of £0.5m, much the same as for November-May last time; it cannot blame the severe weather and spate of industrial troubles which affected the results early in 1979, and the financing benefit of the £62m rights issue should have been worth close to an extra £5m. Sterling's progress form \$2.08

to \$2.27 over the period hit Rank Xerox hard. Even without the currency problem, however, its profits would have been per cent down, despite ouoyant machine placements. The problem has been that cashshort customers have been opting to an unexpected extent for rental contracts rather than the outright purchases which RX has been relying on to swell short-term profits while the group gets over a hump of product launching expenses. In the rest of the year RX hopes its profits will not leave the sound of the profits will be come from weak-benefits will come from certain first-half price rises, attempts are being made to rebalance the rental/sales mix, and costs are being trimmed. The Organisation should get

a reasonable second half contri-bution from Butlin's (now in-cluding the Leisure Caravan the French. Parks acquisition) and most overseas activities appear to be Fodens going well. But UK manufacturing operations appear to be struggling—Rank Radio is pull-ing out of audio products—and sterling and the decline in tourism are affecting the hotel side. For the year group pre-tax profits could well be down from £131.2m to around £120m, and the shares tumbled 13p to 180p yesterday—where they rest on the support of a yield

of 8.8 per cent. BR assets

yesterday at the "privatisation" saved in the last recession by the moment Barchays would of selected British Rail sub- an ad hoc group of investment probably have to pay around the profitable parts of the under-capitalised and over- maturing in 1995.



away to provide a feast for the vultures — appears rather wide of the mark. Even the most saleable of the goods on offer, Sealink UK, has a return on capital employed of below 9 per cent, while the Hovercraft business has never made a profit and the hotel division managed an operating surplus

of only £300,000 last year.
Sealink's latest balance sheet shows up net assets of £41m; against debt of £121m. Presumably, though, the internal and Government loans of £37m could be converted into equity held by the state, producing a oneto-one debt/equity ratio. Much of the external debt, equivalent to £62m, represents leased craft, which could hardly be was coming to market and independently may he \$200m; the largest ever sold independently, may be lumped together with Sealink,

The rescue of Fodens in 1975-was of great symbolic import-ance in the City. At a time when the National Enterprise Board was being granted vast resources, it seemed to suggest that the private sector still had a role to perform in saving viable businesses, and the affair

draw the right conclusions from rates decline—although it will be important the compulsory as it would be be appointed. Fodens we be with a drop-lock bond. As

ambificus mimow in an india. powerful competitors. To the four years following the rash injection, operating cash flow fell well about of its working capital requirements—it slong its spending on five leaves. its spending on fixed assets
but until quite recently it has
continued to manufacture
broad range of its own or
ponents. This is in market contrast to its more succes neighbour, ERF

The fact that Fodens had tailed does not mean that design tutions should steef clear of such problems in the funce. Instead, the moral may be the once institutions do ge involved in a support go they should be prepared adopt an active monitoring m to wait for a long time for a pay off, and in the case high risk husinesses to to for a stronger partner to over the company. In the case of Fodens, the institutions appeared to play very little part in the affairs of the group enter they had handed over the cash, which came in the force of 10 per cent convertible preference, and a subsequent bid from Rolls-Royce 1 was crisply rejected. Faced w a recession on the proscale, the combination proved fatal.

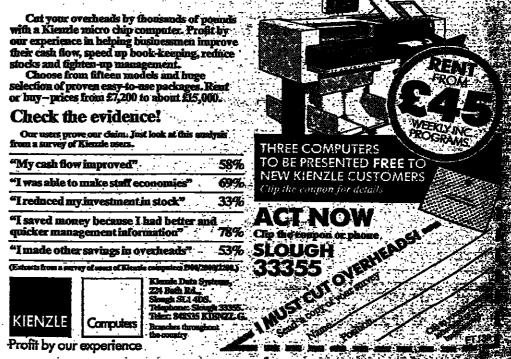
Barclays Intl.

Crowding out may still b rife in the London capital market, but a wind of to £62m, represents leased is blowing from the First assets, a way of financing capi markets. Yesterday, as the prohibitively expensive for a announcing the early representationalised industry with the ment of \$1.5 hn of delignment finance Bill. Hover- Barclays Bank International the course of the series of the course of the series of the course of t private sector Euromarket bo rowing. This money, which comes on top of a \$100m kent at 1 made by the hank last December, will be used in connection. with the \$165m acquisition of Actua Business Credit

The new issue will start life as a floating rate note, but fike recent bonds floated by Midland. Bank and Standard Chartered Bank it carries an option for the lender to convert into R an Can fixed-tate bond on a 91 per cents.

Barclays sees the issue as a played a major part in the straight bond rather than as an decision to establish Equity odd sort of "floater," and it capital for industry, anticipates that conversion

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Rail disposals plan toned down GOVERNMENT plans Rail Property Board subsidiaries were unveiled yesterday in sub- Board.

stantially weaker form than had initially been discussed with Mr. Norman Fowler, Transport Minister, has decided that the British Railways Board should own 100 per cent of the holding company to be set up

to embrace these non-rail subdiaries. freedom to operate on equal This is a clear victory for terms with competitors. Sir Peter Parker, chairman of the British Railways Board, and the rail unions who persistently resisted Government proposals to take the subsidiaries away

Under the Government's The overall aim is for the revised measures agreed with the British Railways Board, the tive private sector ownership," Board will set up a company to hold the non-rail assets and eventually shares in these businesses. The Board will also have the right, subject only to reserve powers" to be held by the Minister, to appoint the proposed holding company's

Mr. Fowler said yesterday the holding company. after a statement in Parliament Both these points that he had decided against setting up the holding company completely outside BR control because the scheme now protheir joint objectives." The sidiaries.

for Government recognised that the private investment in British obvious links existing between Rall's Sealink UK, Seaspeed British Rall and its subsidiaries Hovercraft, British Transport should be maintained. This it Hotels and part of the British was stressed in over the past months by the British Railways

Sir Peter and Mr. Fowler have agreed that the subsidiaries would not receive "essential commercial freedom" unless private capital was attracted in sufficient volume and unless private investors were assured of sufficient control through their shareholding to ensure

British Rail and the Government suggest that there will probably be a range of initiatives to secure private investment. These may include one from British Rail completely.

Such a move would have cut the Public-Sector Borrowing Requirement substantially.

ment. These may include one or more flotations of shares, include one or more flotations of shares, sector partners and sales of property.

as soon as practicable.

But the Government is concerned about the possibility of foreign companies investing in the subsidiaries. It is also concerned but undecided about the possible involvement of European Ferries, one of Sealink's main rivals on the Channel, in

Both these points are to be clarified before legislation is introduced. possibly in the Queen's Speech in November. Legislation is essential before model, fuel-efficient car. private sector funds can be However, this hope is bureaucratic way of meeting used in British Rail sub-

U.S. doubts over Saudi oil forecast

FINANCIAL TIMES REPORTER

SENIOR U.S. oil executives Saudi Arabia would agree to treated with scepticism a report yesterday which quoted Prince the Saud al Feisal, Saudi Arabian b/d Foreign Minister, as saying his country would continue output at 9.5m barrels a day until the end of the year.

According to An-Nahar, the normally reliable Beirut newspaper, he said, when questioned on the subject: "This is an established policy of the Kingdom."

The growing conviction, however, is that Saudi Arabia intends to bargain over its production level with other mem-bers of the Organisation of Petroleum Exporting Countries in an attempt to obtain a unified price agreement on the basis of \$32 per barrel.
If they were prepared to

adopt the long-term pricing prolong-term strategy committee, it strategy report prior to the is now widely believed that OPEC summit in November.

BY JOHN WYLES IN BRUSSELS THE Australian Government is

threatening reprisals against imports from the EEC, if the

Community introduces export

end the Anglo-French sheep-

Finn Olav Gundelach, the Community's Agriculture Commis-

sioner, Australia has warned that it might take reprisals

against imports of EEC products

ranging from motor cars to the

Australia while only a modest exporter of lamb to the Com-

munity, is the largest producer

with other EEC agriculture products over the past 15 years,

it fears a possible slump in

leads to surplus domestic pro-duction which is then disposed

of at subsidised prices on

EEC regime eventually

European Airbus.

of lamb and mutton

subsidies for lamb under the get problem.
recent agreement designed to Its introduction is still several

In what appears to be a detail among the Nine and prelude to its discussions in because an undertaking is Canberra this week with Mr. needed from New Zealand to

Drawing on its experience former Japanese Premier.

the world lamb market if the Australian decision on the pos-

reducing its rate of output to the "official ceiling" of 8.5m

level of production for the following three months.

On this occasion the OPEC

some time in September, prob-ably in Vienna, will be of critical importance. The trilateral meeting

Finance Ministers planned for

adopt the long-term pricing pro-posals recommended by OPEC's after revision, the long-term

It is also pointed out that the Kingdom's Supreme Petroleum Council has left it until the end of each quarter to decide the

conference of oil, Foreign and

It could do this without

creating upward pressure on prices because of the market surplus which Sheikh Ahmed Zaki Yamani, Saudi Oil Minister believes will amount to 4-5m b/d by the end of the summer.

Government economists are anxious that if Mr. Carter leaves a tax cut too late, it will not

act as a stimulus to the U.S. economy but as an inflationary boost as the economy picks up.

The Administration is certain to continue throughout the

Election Campaign to attack the 10 per cent Income and Corporation Tax cut plan of the

Republicans as wildly infla-

Australian threat to EEC imports

export restraint on a number of sensitive products as part a broader package which would also provide for the gradua removal of quota restriction imposed by some of the Nine on Its acceptance of voluntary Japanese products.